

CURRENT *History*

A MONTHLY MAGAZINE
OF WORLD AFFAIRS

APRIL 1967

EAST EUROPE, 1967

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FOR READING TODAY...FOR REFERENCE TOMORROW

CURRENT *History*

FOUNDED IN 1914 BY
The New York Times
PUBLISHED BY
Current History, Inc.
EDITOR, 1943-1955:
D. G. Redmond

APRIL, 1967
VOLUME 52 NUMBER 308

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DANIEL G. REDMOND, JR.

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Coming Next Month

BRITAIN AND THE COMMONWEALTH

The May, 1967, issue of *Current History* will offer its readers a view of the role Great Britain and the states of its one-time empire still play in the world of the 1960's. Seven specialists will cover the following:

The British Economy

by ANN MONROE, National Institute of Economic & Social Research, London;

Politics in Britain

by RICHARD ROSE, Professor of Politics, University of Strathclyde, Glasgow;

Britain in Africa

by DAVID J. MURRAY, Lecturer in Government, University College at Ibadan, Nigeria;

Australia and New Zealand

by CHARLES B. HAGAN, Professor of Political Science, University of Illinois;

India and Pakistan

by ROSS N. BERKES, Director of the School of International Relations, University of Southern California;

Present-Day Canada

by CRAUFURD D. GOODWIN, Director of International Studies, Duke University;

Britain and the West

by ARTHUR C. TURNER, Professor of Political Science, University of California at Riverside.

BERNARD B. FALL, Professor of International Relations at Howard University, specialist on Vietnam, and frequent contributor to *Current History*, was killed by a land mine in Vietnam on February 21, 1967. We shall miss him.

Published monthly by Current History, Inc., Publication Office, 1822 Ludlow St., Phila., Pa. 19103. Editorial Office: 12 Old Boston Road, Wilton, Conn. 06897. Second Class Postage paid at Phila., Pa., and additional mailing offices. Indexed in *The Reader's Guide to Periodical Literature*. Individual copies may be secured by writing to the publication office. No responsibility is assumed for the return of unsolicited manuscripts. Copyright, © 1967, by Current History, Inc.

95 cents a copy • \$8.50 a year • Canada \$9.00 a year • Foreign including the Philippines, \$9.25 a year
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CURRENT History

APRIL, 1967

VOL. 52, NO. 308

In this issue, seven specialists explore the changing conditions in East Europe. According to our introductory article, "it is not too soon to take another look at those countries . . . whose hundred million people live between the Soviet Union and the West, with a view to determining what American foreign policy in East Europe is and what it might be."

United States Policy in East Europe

By MICHAEL B. PETROVICH

Professor of History, University of Wisconsin

AS AN EAST EUROPEAN OFFICIAL recently observed, "The trouble with you Americans is that you are about two years behind the times in your view of this part of the world. You think that Rumania and Hungary are the fastest changing countries in Eastern Europe, when actually they are Bulgaria and Czechoslovakia." It is true that developments are moving so fast in East Europe that even well-informed Americans may have trouble in keeping up. Indeed, by now even the opinion of that East European official may be out of date.

Yet the real trouble is that some Americans may still see the communist countries of East Europe as they were in the Stalin era—a monolithic bloc subjected to a Soviet-imposed uniformity. Such Americans may be reacting in ways which may have been appropriate one or two decades ago, but which are no longer relevant or effective.

Though *Current History* devoted its March, 1965, issue to "East Europe in Flux," it is not too soon to take another look at those

eight countries—East Germany, Poland, Czechoslovakia, Hungary, Yugoslavia, Rumania, Bulgaria and Albania—whose hundred million people live between the Soviet Union and the West, with a view to determining what American foreign policy in East Europe is and what it might be.

Behind any American policy toward East Europe is the basic American dislike of communism. The vast majority of Americans are opposed to communism as an ideology and dislike the manner in which communist regimes have seized and maintained power. As United States Secretary of State Dean Rusk has put it, "We view communism as a system incapable of satisfying basic human needs, as a system which will ultimately be totally discredited in the minds of men everywhere. We believe that the peoples who have been brought under Communist rule aspire to a better life—of peace, economic opportunity, and a chance to pursue happiness."¹

Nevertheless, most Americans have come to realize that the communist regimes of East Europe are not transient interludes, like the fascist regimes of Mussolini or Hitler, but are here to stay. If not even the death of Stalin

¹ Dean Rusk, "Why We Treat Different Communist Countries Differently," *Department of State Bulletin*, No. 1290, March 16, 1964, p. 390, from an address delivered on February 25, 1964.

in 1953 or the ensuing rebellions in Poland and Hungary in 1956 could unseat the communist rulers of East Europe, the prospect of a sudden violent overthrow of those governments seems unlikely. Certainly the hands-off policy of the United States during those uprisings served notice that military intervention against the communist regimes of East Europe is not a part of American policy. Every American administration has sought to avoid any confrontation with Soviet power in East Europe that might lead to war with the U.S.S.R. Only recently, in October, 1966, President Johnson again stressed this policy when he stated, "Our purpose is not to overturn other governments. . . ."²

POLYCENTRIC COMMUNISM

American policy toward East Europe has also been forced by certain events to recognize that the East European countries are not to be regarded as the helpless satellites of the Soviet Union. In 1948, some Americans found Yugoslavia's break with Moscow so unbelievable that they suspected trickery or connivance. Surely, the uprising in East Germany in 1953 and the uprisings of 1956 in Poland and Hungary awakened Americans to the realization that the solar system of Eastern Europe was in disarray, and that the satellites were not orbiting as they used to do. Albania has left the Soviet camp altogether and has declared its solidarity with Red China. The other nations of East Europe are carrying out their disengagement from Moscow in a quieter manner. It is highly important to realize that the degree of dependence of each East European country on post-Stalin Russia varies greatly, and that all are freer of Soviet control today than they have been since World War II. Indeed, today one can no longer speak of a Soviet bloc in East Europe, but rather of an alliance which is being made looser all the time as

each bloc member pursues its own interests.

This situation takes on special meaning as we come to realize that the unity of the international communist movement has been destroyed, especially by the Sino-Soviet schism. "How much meaning can even the phrase 'world communism' have," Under Secretary of State Nicholas deB. Katzenbach asked recently, "when Red Guards riot at the Soviet Embassy in Peking and the Chinese Communists charge the Soviet Union with conspiring with the United States to betray North Viet-Nam?"³ In Europe itself, the communist parties in the West do not figure in the Warsaw Pact of East Europe but carry on independent policies. And apparently this is not being done in defiance of Moscow, but with Soviet acceptance. Today the communist universe is not heliocentric but polycentric.

It is becoming increasingly apparent that the dead hand of Stalinism did not do away with the differences which have always marked East Europe. There have always been deep cultural divergences which have separated the East European countries from one another. These have been exacerbated by conflicting territorial ambitions which still exist—as in Macedonia or Transylvania. Historically, Poland has been more a part of Western civilization than Spain: the border between Poland and Germany is a changing political one, but that between Poland and Russia is a cultural iron curtain of a millennium. One can hardly understand the vagaries of Tito's Yugoslavia without realizing that the Yugoslavs have been straddling the boundary between "East" and "West" since the sixth century. Americans who tend to think of East Europeans as being all the same, either culturally or ideologically, are making a serious mistake. Despite communism, the old nationalisms are not dead.

On the other hand, one must not make too much of what has been called "national communism" in East Europe. This communist "nationalism" arises from a simple practical necessity: communism must be suited to the specific needs and temperament of each country. However little the communist lead-

² Lyndon B. Johnson, "Making Europe Whole: An Unfinished Task," *Department of State Bulletin*, No. 1426, October 24, 1966, p. 622, from an address delivered on October 7, 1966.

³ Under Secretary of State Nicholas Katzenbach, "The Issue of East-West Trade," *Department of State Bulletin*, No. 1436, January 2, 1967, p. 2, from an address of December 9, 1966.

ers of a given East European country are politically responsible to their own people, they wish even less to be responsible to any authority outside their own country. Least of all do they wish to be tied to an arrangement which makes them dependent on others to their own detriment.

At the bottom of all this is a revolution which has overtaken the communists of both the Soviet Union and the East European countries: the ideologists have become managers, and those who have not made the change are being replaced. Anyone who reads the "state of the union" message of any East European leader gets the feeling that the state is less a newly converted sector of the communist religion than it is a vast economic corporation. This is not to say that the communist faith is dead in East Europe; it is rather that the old-time religion no longer seems relevant to modern problems. Economic efficiency has taken precedence over Marxist ideology. No longer is reality twisted so frequently to fit any rigid conception of Marxism, but Marxism is stretched to fit new realities. This practical approach and flexibility make the "red executives" of East Europe far more accessible to Westerners. It is precisely this emphasis on economic progress rather than dogmatism that has encouraged the East European countries to seek a détente with the West.

U. S. POLICIES IN EAST EUROPE

It may be said that during most of the period since World War II the United States has not had an active policy for East Europe. The postwar policy of "containment" arose in response to a severe Soviet threat to West Europe and accomplished little in East Europe other than to give cautious aid to Tito's Yugoslavia after that country's rift with Moscow. Rather, the emphasis was on

saving Greece and Turkey from communism under the Truman Doctrine. The policy of "liberation" in President Dwight D. Eisenhower's first term was shown to be an empty pious hope when the United States failed to intervene in the uprisings in East Germany, Poland and Hungary.

It was especially after Wladislaw Gomulka's Poland showed its ability to withstand Soviet pressure—even though Poland remained in the Soviet bloc—that United States policy became formed around the idea of fostering evolutionary change in East Europe. That policy of "gradualism," furthered by President John F. Kennedy, has now reached new emphasis under President Lyndon B. Johnson. It has already received a handy name—"peaceful disengagement" or, to use the President's term, "building bridges." First enunciated by President Johnson on May 31, 1964, this policy has been repeatedly voiced by him ever since. For example, he declared in a public address on September 5, 1966: "In Europe our partnership has been the foundation for building bridges to the East. We and our friends in Western Europe are ready to move just as fast, just as far, as the East is prepared to go in building those bridges of friendships."⁴

What "building bridges" means to President Johnson and his administration is no mere exercise in international friendship. Rather, it is meant to be a serious and far-reaching effort, in the President's own words, "to help the people of Europe to achieve a continent in which the peoples of Eastern and Western Europe work together for the common good, a continent in which alliances do not confront each other in hostility, but provide a framework in which West and East can act together to assure the security of all."⁵

The most ambitious goal and expression of this policy is nothing less than "the reunification of Germany in the context of a larger peaceful and prosperous Europe."⁶ Under Secretary for Political Affairs Eugene V. Rostow made clear the intimate connection between these problems when he declared, in a statement on November 25, 1966, that there could be no détente in Europe without

⁴ Lyndon B. Johnson, "Four Fundamental Facts of Our Foreign Policy," *Department of State Bulletin*, No. 1422, September 26, 1966, p. 454, from an address delivered on September 5, 1966.

⁵ Lyndon B. Johnson, "Making Europe Whole: An Unfinished Task," *Department of State Bulletin*, No. 1426, October 24, 1966, p. 623, from an address delivered on October 7, 1966.

⁶ *Ibid.*, p. 624.

German unification, and no German unification without a *détente*.⁷

To implement the policy of "building bridges" to the East, President Johnson proposed the following steps, on October 7, 1966: (1) To remove "hundreds of non-strategic items" from the list of American goods barred from shipment to the communist countries of East Europe; (2) To permit the Export-Import Bank to guarantee commercial credits to Poland, Hungary, Bulgaria, and Czechoslovakia; (3) To ease the burden of Polish debts to the United States; and (4) To liberalize rules for travel by Americans to communist countries. This last proposal referred only to Albania, among the East European countries, since Albania is the last European country to remain off limits to Americans by order of the State Department.

In the past two or three years the United States government has undertaken many and varied measures to build bridges to the East. For example, in 1964 the governments of the United States and Rumania, reciprocally elevated their diplomatic missions to the rank of embassies. Similarly, on November 28, 1966, the White House announced that the United States legations in Bulgaria and Hungary had been raised to the level of embassies. This symbolic move had some significance since these two diplomatic missions had been retained as the last two American legations in the world to show American disapproval of previous anti-American policies in Hungary and Bulgaria.

More concretely, the United States has negotiated settlements with several East European countries concerning the property claims of American citizens—with Bulgaria in 1963, and with Yugoslavia in 1964. Rumania was persuaded to allow several hundred "dual nationals" and relatives of American citizens to travel to America.

In the field of cultural relations, in 1964 Yugoslavia was included in the exchange of Fulbright scholars. Moreover, on December 31, 1965, the United States National Acad-

emy of Sciences and the Council of Yugoslav Academies concluded a three-year program of scientific exchanges, including reciprocal visits of American and Yugoslav scientists for research and teaching. This was the first such agreement between learned bodies in the United States and any East European country except the Soviet Union. The Inter-University Travel Grant Committee and the Office for International Education—to mention but two American organizations—have greatly expanded scholarly exchanges with Bulgaria, Czechoslovakia, Poland and Hungary. The writer was one of three American professors involved in the first such exchange with Bulgaria, in 1963–1964. Cultural exchanges with Rumania have also risen markedly.

The United States has recently made several gestures of goodwill toward Poland. Not the least of these was the appointment, in November, 1965, of former Postmaster-General John Gronouski as ambassador to Poland. What made the appointment unusual was that Gronouski, a native of Wisconsin, is of Polish descent on his father's side. His arrival in Warsaw was attended by a large crowd of cheering admirers. In 1965, too, the United States financed a children's hospital in Poland. In 1966, the Chicago Art Institute featured an exhibit of art treasures from Poland marking the celebration of a millenium of Polish statehood. The United States Post Office also issued a stamp commemorating the official establishment of Christianity in Poland a thousand years ago.

A physical bridge to East Europe was inaugurated in 1965 when Pan-American World Airways established a direct service to Czechoslovakia, the first such service in almost 20 years. In the field of communications, it is noteworthy that since 1963, when the Soviet Union stopped jamming the broadcasts of the Voice of America, practically all East European countries have followed suit.

To be sure, incidents continue to mar relations between the United States and various East European countries. For example, some East European countries—most recently Hungary and Czechoslovakia—have placed curbs on the travel of American diplomats, in re-

⁷ Eugene V. Rostow, "Statement on East-West Relations," *Department of State Bulletin*, No. 1436, January 2, 1967, p. 24.

tialiation for similar restrictions on those countries' diplomats in the United States. Anti-American demonstrations over our involvement in Vietnam have taken place in several countries. Occasionally East European officials still flee to the United States for political asylum, as in 1965, when the second secretary of the Hungarian legation in London and the head of the Polish military mission in West Berlin sought American protection. Incidents involving espionage also crop up. In late December, 1963, about 3,000 Bulgarians demonstrated outside the United States legation in Sofia, smashing windows and overturning American cars, as a result of a treason trial in which Ivan-Asen Georgiev, a member of the Bulgarian delegation to the United Nations, was convicted for supplying secret information to the United States Central Intelligence Agency.

On the other hand, the United States was highly embarrassed when Yugoslav diplomatic missions in several American cities were simultaneously bombed by unknown persons in late January, 1967. The Yugoslav press not only blamed Yugoslav political exiles in the United States for the deed, but reproached the C.I.A. for supporting some of the exile groups. More recently, a naturalized American citizen, Vladimir Kazan-Komarek, was snatched from a Soviet plane which made an unscheduled stop in Prague, and he was tried as a spy. Though sentenced to eight years, a relatively light sentence by Czech standards, he was released immediately and returned to the United States within 24 hours. Apparently the Czech government did not consider the matter worth risking reprisals from the United States. Perhaps, too, it indicated Czech desires for improved relations in the future.

EXPANSION OF TRADE

There is no avenue of intercourse with the West to which the East European countries are so receptive as increased trade relations.

⁸ Joseph A. Greenwald, "East-West Trade Policy in a Balanced Strategy for Peace," *Department of State Bulletin*, No. 1427, October 31, 1966, pp. 676-680.

⁹ Katzenbach, *op. cit.*, p. 3.

It would be difficult to name any single element in international relations which can contribute more effectively to the breakdown of barriers and to the maintenance of peace than mutually profitable commerce. Yet in 1965, Holland and Sweden did more business with East Europe than did the United States. In that year the free world exported about \$6 billion worth of goods to communist East Europe (excluding Yugoslavia), and it bought almost the same amount; the American share of this was only \$139 million in exports and \$137 million in imports.⁸ While one should not exaggerate the importance of East Europe as a market for the United States, the fact is that poor politics rather than good business stands in the way of increased American trade with that area.

One of the chief problems is that, at present, only Yugoslavia and Poland have received the most-favored-nation treatment we give to the other countries of the world. As Under Secretary of State Katzenbach recently admitted in an address to the National Association of Manufacturers, "I might add that I have never understood the reason for the phrase. All that 'most-favored' means is 'non-discriminatory treatment.'"⁹ It was in 1951, at the height of the cold war, that the United States withdrew this policy from the communist countries of East Europe and imposed on them the very high rates of the Smoot-Hawley Tariff Act of 1930.

This was a rational distinction to make in 1951 [Katzenbach conceded in his talk to the N.A.M.] but is it rational today? Should not the President have authority to negotiate with any of these countries for the advantages we can gain by offering them the same tariff rates we apply to the rest of the world? The President's inability to negotiate in this manner now sharply limits our capacity to use our great economic power of trade as an instrument of foreign policy. And more obviously it sharply limits trade. This is a self-imposed restriction, and we are the only major free-world nation to so tie our hands.

Undoubtedly hoping to convince the American public and Congress, in early 1965 President Johnson appointed a committee of distinguished business, labor and academic leaders to study the problem. He placed the committee under J. Irwin Miller, chairman

of the Cummins Engine Company. This committee concluded that peaceful non-strategic trade "can be an important instrument of national policy in our country's relations with individual communist nations of Europe."¹⁰ Despite the Miller committee's findings, Congress would not act on the proposed East-West Trade Relations Act which the administration requested in 1966. However, the administration has indicated that it will try again during 1967.

There are at least three basic questions which complicate this problem in the minds of many: (1) Will trade increase the military strength of the communist countries? (2) Is it really good business? (3) Is it good policy diplomatically?

The Johnson' administration's answer to the first of these questions is *no*; to the other two questions, it is *yes*. To begin with, the export of strategic goods is already strictly controlled by law. Besides, the military might of the Soviet Union is not dependent on imports but on that country's own resources and production. As for trade with East Europe being good business, one need only observe the increasing trade the West European countries are developing with East Europe. In answer to the last question, Foy D. Kohler, deputy under secretary for political affairs and recently United States ambassador to the Soviet Union, replied, in an address before the Florida department of the American Legion on December 10, 1966:

Trade is not just commercial, but also political. It is a two-way street and one of the channels of communications with these countries. Let me put it to you this way. Who here would not sooner have people in Yugoslavia growing tobacco rather than producing munitions? Who among us would rather not have Soviet workers making passenger cars instead of missiles? Isn't it better for us all for Poland to devote increased resources to production of high quality pork and ham? Who does not think it useful that Ro-

manian resources be devoted to an automobile-tire industry rather than to production of jet fuel?¹¹

There is little doubt that East Europeans are interested in American products. For example, in December, 1966, a *Life* reporter described the great attraction that the United States pavilion exerted on crowds at an international fair in Plovdiv, Bulgaria. In less than two weeks the pavilion attracted 650,000 people, three times the population of the city. Though small by comparison with the Soviet or German exhibits, the American pavilion attracted more visitors than any other. It contained a cropdusting plane, data processing machines, a tire-recapping machine, and a wide variety of products. The *Life* reporter quoted an American official in Bulgaria: "They try to do everything here with one pair of pliers. When we showed them 20 different kinds of pliers, not to mention all those screwdrivers—well, my God."¹² *Life's* reporter also told how a Bulgarian official lamented that a \$7 million deal involving the sale of American locomotives was cancelled when the United States government refused a license. "So we went to the West Germans and got the locomotives at a lower price," the official concluded, adding, "The West Germans are *good* businessmen."¹³

One of the obstacles to American trade with Eastern Europe is the pressure exerted by various right-wing groups in the United States. On January 4, 1965, Secretary of State Dean Rusk disclosed that the Firestone Tire and Rubber Company of Akron, Ohio, and the Universal Oil Products Corporation of Des Plaines, Illinois, had agreed to build a synthetic rubber plant and a petroleum plant in Rumania, in accord with a United States-Rumanian economic and trade agreement signed on June 1, 1964. The American press described this as a major breakthrough and as the first direct entry by American private industry into a communist country since the Second World War. However, the Firestone Company cancelled its contract after a right-wing organization threatened a boycott. Other American companies, most recently American Motors, have since been forced to

¹⁰ *Ibid.*

¹¹ Foy D. Kohler, "East-West Relations: Shaping a Stable World," *Department of State Bulletin*, No. 1436, January 2, 1967, p. 11.

¹² Gene Farmer, "The Perforated Curtain," *Life*, LXI (December 9, 1966), p. 128.

¹³ *Ibid.*, p. 126.

have second thoughts about trade with East Europe.

In the last few years "Committees to Warn the Arrival of Communist Merchandise on the Local Scene" have been formed in various places throughout the United States to organize campaigns against the sale of East European products—Polish hams or Christmas tree ornaments, Czech vases and ashtrays, and Yugoslav baskets and tobacco. "Are these Americans advancing the interests of the United States?" asked Joseph A. Greenwald, deputy assistant secretary for international trade policy and economic defense. He replied,

The Government of the United States does not believe so. We think they are harming the United States national interest by obstructing a foreign policy that has been developed by four administrations since World War II. We think they are still living in the late 1940's and the early 1950's—not in the middle of the 1960's. We think they are out of step.¹⁴

U. S. POLICY GOALS

What policy and goals one would set for the United States in East Europe depends basically on how one views the nature of the confrontation between the Western democracies and the communist countries.

John C. Campbell of the Council on Foreign Relations, former State Department specialist for East European affairs, has outlined three alternative courses for United States policy in Western Europe.¹⁵

The first course attracts those Americans who still think in terms of the cold war of the 1940's and 1950's. To them the idea of "building bridges" seems foolish and dangerous. Their view would be, instead, to step up political and economic warfare against both the Soviet Union and the East European "satellites" as a whole and to take advantage, by all means short of war, of any disunity in their ranks in order to free the captive peoples of the Soviet empire. All means possible, including radio communication and under-

ground activities, would be used to help organize popular resistance to communist rule. In this task, an important role would be given to exiled East European political leaders now living in the West. In military policy, the emphasis would be on the maintenance of the strongest possible military establishment in Europe. As for economic relations, only the most rigidly controlled trade would be permitted, and then largely to place pressure on communist regimes to make specific concessions. Cultural relations would be reduced or even discontinued on the premise that cultural exchanges can only benefit the communist countries by lending them prestige or even opportunities for espionage.

The second line of policy would be based on a distinction between the communist countries of Eastern Europe and the Soviet Union. It would aim at loosening their ties by encouraging the national interests of the East European countries and by rebuilding the historic ties between the West and the East European states. Instead of any major showdown, this policy would look to a gradual change in which other East European countries would approach a status like that of Yugoslavia, or even Finland and Austria. In diplomacy, the goal would be a *détente* on the one hand, relieving pressures in Central Europe, and getting the East European countries more independently involved in the United Nations and in international bodies in general. In propaganda, while the United States would go on contesting communist falsehoods, the accent would be on urging independence versus dependence for the communist countries. Militarily, the goal would be a gradual reciprocal reduction of forces in Europe. Trade and even aid would be used to open the doors to greater Western influ-

(Continued on page 243)

Michael B. Petrovich, a specialist in Russian and Balkan history, is a frequent contributor to professional journals. He has been a visiting professor at the University of California and at Harvard; he has traveled widely through the Soviet Union and East Europe.

¹⁴ Greenwald, *op. cit.*, p. 680.

¹⁵ John C. Campbell, *American Policy toward Communist Eastern Europe: The Choices Ahead* (Minneapolis: University of Minnesota Press, 1965), Chapter VI, pp. 83–107.

According to this specialist, "formidable obstacles lie in the way" of the success of Czechoslovakia's New Economic Model, NEM. If the bold experiment succeeds, he concludes, the Czechs may see "signs of rejuvenation not only of their economy but of their political scenery as well."

Czechoslovakia's Half Century

By VACLAV E. MARES

Professor of Economics, The Pennsylvania State University

THE FIRST HALF-CENTURY of Czechoslovakia's national history consists of three sharply distinct periods. The first began in 1918 with the dissolution of the old Hapsburg Empire and ended in 1937 with the death of Czechoslovakia's president-liberator, Thomas G. Masaryk. In this period the new republic stood close to the democracies of West Europe to which both its people and its president had long-lasting cultural and politico-ideological ties.

This period was followed by a second period of ten chaotic years during which the country lost its political identity and became a defenseless victim of European great power politics. This was the period of the Munich partition and of the Nazi occupation, the period of the Yalta pact and the illusion of a regained national sovereignty. It ended in 1947 with the Kremlin showdown that prevented Czechoslovakia's intended participation in the Marshall Plan. This buried the hope that the country could assume the function of a bridge between Europe's West and East—a policy concept promoted by its democratic politicians. Czech capitulation to Stalin's order without a single resignation from the coalition government set the stage for the third period of Czechoslovakia's modern history, oriented toward Europe's East.

The following 20 years of Communist Party

rule were marked by a radical change of the social objectives of the young republic, the downgrading of Masaryk's role in its establishment, the rejection of his political concepts incorporated into its first constitution, and the reshaping of the country's economy to the role assigned to it in the Soviet bloc. This policy twisted the development of Czechoslovakia from the course chartered by its history. It undermined the balanced structure of its economy, crippled its self-propelling forces, and threw its operational mechanism out of joint. The present regime is now trying to repair the damage by far-reaching reforms which, in their consequences, would amount to the repudiation of many doctrines that had been sacred to the Party.¹ The experiment is under way, and its outcome is uncertain. If successful, it might mean that the fourth period of Czechoslovakia's modern history is just beginning.

The striking accomplishments of Masaryk's republic—political integration of the formerly separated provinces, cooperation with national minorities, social legislation, balanced expansion of the production base and, mainly, the fabulous and widespread increases of individual prosperity—were achieved by the close cooperation of its socialist and middle-class parties. Most of their leaders were men trained in practical life who had a common-sense rather than a doctrinaire approach to the problems they had to solve. They respected the dynamic forces at work in Czecho-

¹ The term "party" refers here and in the rest of the article to the Communist Party of Czechoslovakia.

slovakia's economy and never tried to push their reforms against them. With more than 70 per cent of its labor force in manufacturing, trade and other services, the country was earning, by the sale of its luxury products on Western markets, enough pounds and dollars to pay for imports of equipment needed for its plants. A wide diversification of production and a high productive efficiency were the main sources of its strengths. Czechoslovakia offered good employment opportunities to both men (i.e., in mining, heavy industry) and women (i.e., in textiles, costume jewelry) in most of its major industrial regions.

HUMAN RESOURCES DRAIN

When, in 1948, Communist Party leaders took charge of Czechoslovakia's economy, they ignored the working rules of its ingenious pooling system of labor and capital. They destroyed its functional interconnections by their ambitious growth policies—overexpanding capital goods industries at the cost of all other industries and services. One more factor, however contributed to their troubles, for which they could not be held solely responsible. This was the loss of expert technical and management personnel which Czechoslovakia had suffered in the preceding decade and which was unmatched in its magnitude in any other industrialized country of the world.

This unusual drain of precious human resources was the result of mass purges and population transfers during and after the war. The deportation of Jews under the Nazi occupation deprived the country, first, of many technical and commercial employees and of individual Jewish businessmen. Since

the Hapsburg days, these people had controlled many sectors of Czechoslovakia's export trade. In the same years, many Czech employers were removed from their executive positions, where the Nazi administration did not trust them. With the end of the war came the transfer of the Sudeten Germans which, in turn, removed several hundred thousands of specialized craftsmen from their manufacturing jobs. With them left also the dispossessed enterprise owners—all the Germans and many Czechs, too—some because of their collaboration with the Nazi regime, some because such charges were fabricated against them by administrators hopeful of obtaining their confiscated property. Eventually, those charged with "anti-social" behaviour during the war years also had to go; among them were many foremen, shop supervisors and other personnel whose function it was to enforce work discipline in the plants. Thus, in 1948, when the party planners launched their gigantic program aimed at transforming Czechoslovakia's economy in line with the country's new political orientation, they had to dispense with the advice not only of economists and trained administrators—whom they distrusted anyway—but with the assistance of experienced technicians as well.

The transformation of Czechoslovakia's highly articulate economic organism to the needs of the Soviet bloc would have required far more surgical skill than was required for the same purpose in the primitive agricultural economies of southeastern Europe. The party planners were not aware of this; with Marx' gospel and Moscow's master plan in hand, they crashed into the finely balanced structure of Czechoslovakia's economy like a bull into a china shop. The result was disastrous for the long run, even if in production records the party planners could boast of some spectacular achievements.² In 15 years, the country more than quadrupled the output of electricity, fertilizers and building materials. It trebled the output of steel, cement, and lignites, and nearly doubled the output of coal, paper, and beer. This helped it become the world's largest per capita beer consumer.

² Any objective evaluation of losses that Czechoslovakia suffered by this experiment must also include, in addition to the billions invested in never-to-be profitable production facilities and forfeited earnings of the neglected production lines, the benefits lost when Czechoslovakia was denied access to the modern productive technology of the West. With annual injections of Marshall Plan dollars amounting to 10 per cent of its national income (the amount West Germany received between 1948 and 1953), Czechoslovakia could have modernized the equipment of its mines and farms, public utilities, and manufacturing plants and could thereby have joined in the 1950's the new affluent society of Europe.

On the other hand, the planners failed in their efforts to stimulate agricultural production, which for the same period showed an index figure increase from 100 to 146 in the animal, and only to 113 in the vegetable sector (the latter caused mainly by industrial raw materials of vegetable origin). Thus the country's prewar self-sufficiency in food production was lost, and during the past years it has frequently needed to supplement its domestic production by imports.³

FURTHER DRAWBACKS

Such statistical records, of course, say little about the benefits that the people received from their government's policy. How did it help a young couple to know that the output of building materials had increased if they could not find an apartment and had to be satisfied for the early years of their married life with one room in an apartment where they shared kitchen and plumbing facilities with another family? How could a housewife enjoy the news about improvements in the domestic food supply when she was often forced to "support" the balance of the market by buying one pound of liver when she wanted a pound of steak or one pound of onions for every pound of carrots that she asked for? How was a potential car buyer impressed by statistical evidence that the car output had trebled, when he knew that he would have to wait from 6 to 30 months for his car, depending on his priority ranking and on the amount of cash (minimum 40 per cent) that he could deposit when placing the order?⁴

When some liberalization of traveling

came, how could a responsible citizen fully enjoy his trip when he was denied the right to pay for it with his own money and needed to depend, while abroad, on the charity of his foreign friends or relatives? Finally, how could he find any satisfaction in international comparisons of national income per capita which showed him that at the end of the 1950's he was still slightly better off than people in other countries of the Soviet bloc when from the same table he could also learn that he was from 30 to 50 per cent below his neighbors in Western Europe whose standard of living was once also his?

It has recently been suggested that the best rule-of-thumb measure dividing nations into three groups of development is the popularity of the bathtub (which separates the lowest, most numerous group of humanity from the middle group) and the passenger car (which separates the latter group from the upper group). In neither respect is the position of today's Czechoslovakia satisfactory. At the end of 1966, there were only 32 cars on the road per 1000 inhabitants, which compared with 130 for Switzerland, 146 for West Germany, and 180 for France. From all dwellings in use in Czechoslovakia, only 35 per cent had water piped into the apartment (against 98 per cent in Switzerland, 96 per cent in West Germany, 58 per cent in France and 35 per cent in Italy). The decline of Czechoslovakia's housing standards was confirmed by the party's official daily, *Rude Pravo*, when on August 13, 1966, in its description of an "average citizen" (i.e., he spends over 50 per cent of his income for food, drink, and tobacco, one-sixth for housing, one-seventh for clothing) it said that "he occupies about ten square meters (90 square feet) of housing space, which is to say one room for every 1.5 persons." This last figure compares with .7 for Switzerland, .9 for West Germany, 1.0 for France, 1.1 for Italy.

The contrasts in these figures and, in addition, the recollection of all the housing space losses of Germany during the war and all the housing space gains of Czechoslovakia resulting from the confiscation of Sudeten German property offer a clearer picture of the

³ These quantitative summary statements are based on tables published by the *Czechoslovak Statistical Yearbook 1965 (Statistická Rocenka CSSR)*, Prague. The comparisons with West European countries that follow were made by using comparable data from the tables published in the *Statistical Handbook of the North-Atlantic Area* (New York: The Twentieth Century Fund, 1966).

⁴ The daily *Obrana Lidu* of October 29, 1966, announced that 161,393 persons were on the official waiting list for a car. Reporting this figure, the paper added that more people are now in Czechoslovakia engaged in this "battle for a car" than were engaged in the "Three Emperors' Battle" at Austerlitz—Napoleon's famous battle fought on Czechoslovakia's territory.

bankruptcy of the Communist Party's housing policy in Czechoslovakia. It is a very serious indictment of the regime that, 20 years after it took control, it had not yet provided such basic prerequisites of happiness as privacy and adequate housing.

ALARMING SYMPTOMS

After its first setback of 1952–1953 (which was blamed upon saboteurs) and after some organizational changes, Czechoslovakia's economy improved its performance quantitatively in the following years. However, new signs of distress appeared at the end of the 1950's, and the downward trend of the gross national product index per capita became alarming in the early 1960's. Based on 100

⁵ Had they been able to examine it objectively, they would have found (a) that there was nothing "imperative" in the political coup of 1948 because there was no more reason for Marx' prediction to materialize in Czechoslovakia than in other industrialized countries of the world (all of which disproved Marx' theory in this respect); (b) that the coup was not a revolution, as the party historians like to speak of it, because neither objective nor subjective prerequisites existed for it (the socialistic parties held the majority control of the nation's legislative bodies anyway); and (c) that the coup was a plot of a well organized group of Moscow-trained party men and its success was an accidental result of a pitiful imbalance between their aggressiveness and the fading resistance of a sick president, Eduard Benes, and of confused democratic politicians, none of whom had the stature of a potential national leader.

⁶ The following statements are abstracts from studies written in particular by Ota Sik, Oldrich Cernik, Josef Toman, Zdenek Kodet, J. Goldman, L. Jungling, K. Janecek, A. Suk, J. Kanturek, S. Vacha, R. Selucky, V. Nachtigal, M. Toms, M. Hajek and others. The government is obviously interested in giving these studies wide publicity and publishes many of them in English translation in two special series under the names *Czechoslovak Economic Papers* and *New Trends in Czechoslovak Economics* (Prague, 1965–1966).

From analytical studies published on the subject by scholars in Western countries the following are of special interest: Michael Garmarnikov, a series of four articles published in the January, May, July, and August, 1966, issues of the monthly *East Europe* (New York); Jan Michal, "The New Economic Model," *Survey*, April, 1966 (London); Ivo Moravcik, "The Background of the Czechoslovak Economic Reform"; Vaclav Holesovsky, "Mutations of Soviet-type Economic Models." (The latter two to be published in the collection of papers presented at the Third Congress of Czechoslovak Society of Arts and Sciences in America held at the Columbia University, New York, in September, 1966.); Harry G. Shaffer, "The Enterprise Director and the New Economic Model in Czechoslovakia," *The Journal of Industrial Economics*, November, 1966 (Oxford, England).

for the preceding year, this is what it showed:

1960	1961	1962	1963	1964
107.4	105.8	100.8	97.7	100.1

This proved the validity of warnings printed earlier in academic periodicals and formulated by several young economists who, like Professor Yevsei G. Liberman and his group in Russia, opened a learned debate about the causes of the operational troubles of their respective systems.

Czechoslovak economists were outspoken in their analytical studies even if, for obvious reasons, they could not go to the root of the problem. They had to accept the facts that the coup of 1948 was necessary because it was said to reflect exactly Marx' prediction and that the reorientation of the country's economy was an equally imperative consequence of that predetermined historical event. Being economists and not historians, the young critics had good reason to avoid the discussion of this party axiom.⁵ They undertook only the task of examining whether the highly centralized system of planning and management introduced in 1948 had outlived its usefulness. They made it clear that they were speaking for the whole community of intellectuals when they defended their right to dissent.

These were found to be the causes of the troubles from which Czechoslovakia's economy was suffering:⁶

(1) *Imbalance between consumption and investments.* This is evident from the trends of the following index figures (based on 1948 = 100):

Components of gross national product:

1960	1961	1962	1963	1964
<i>Non-productive consumption</i>				
210.0	219.2	225.2	229.4	237.2
<i>Accumulation</i>				
640.9	806.7	747.0	539.9	515.5

These figures show, first, to what extent the public was deprived of a fair share of social benefits for its productive effort in the decade of the 1950's and, second, they show that the modest improvements of consumption in the 1960's were offset by a much sharper decline

of investments. This prompted some critics to claim that the nation was starting to live beyond its means and to call for a tightening of belts. Others, however, blamed the decline of investments on inefficiency and waste in the use of investment resources. Both groups agreed that the reduced investments were one of the main causes of the decline in the growth rate of the economy.

(2) *Imbalance between available resources and investment needs.* This was found to be another cause of reduced industrial investments. The gravity of this aspect of the problem was indicated by Professor Ota Sik, director of the Economic Institute of the Czechoslovak Academy of Sciences, and Czechoslovakia's foremost economist, in his address to the 13th party congress in Prague in June, 1966, when he said:

Without increased imports we are able to insure in our country neither a further growth of production nor of consumption. Today we are maintaining the needed imports at the price of exporting such products, where we often do not get back not only the expended work but sometimes not even the cost of all the raw materials used.

(3) *The wasteful use of available resources.* Because capital was treated as free goods and no interest was charged on borrowed funds, factory managers used to hoard raw materials to protect themselves against possible supply breakdowns; they also often accumulated large stocks of undemanded finished products since their quantitative output figures were more important "success" indicators than cost considerations. The same waste was also found in the use of human resources. Managers often kept on their payrolls labor which they did not need, in case of some unexpected production order. The same disregard for the costs of capital was responsible for the excessive construction time of many investment projects.

⁷ The following comparative figures of annual population increases per 1000 inhabitants are given by the *World Handbook of Political and Social Indicators* (New Haven: Yale University Press, 1964), p. 46. The tested period included years 1958-1961: Hungary, 5; Czechoslovakia, 7; Rumania, 9; France, 10; Yugoslavia, 11; West Germany, 12; Poland, 14; United States, 17; Switzerland, 19; and so on.

(4) *Outdated technology.* Managers' resistance to technical innovation was found in many cases to be the cause of outdated technology. The reasons were summarized by one of the economists as follows:

The explanation is, first of all, that the introduction of new technology involves certain risks and requires a considerable expenditure of time; secondly, after new technology has been introduced, more difficult plan targets are set and consequently there is less opportunity for over-fulfilling them and receiving bonuses.

(5) *The labor shortage.* Between 1950 and 1963, industrial labor requirements were assured by the withdrawal of men from agriculture and by the increased help of women, whose share in the total labor force grew from 37.8 to 44.6 per cent; in the sectors of agriculture, trade, and health and social services it reached 52, 71, and 77 per cent, respectively. These hidden reserves of labor began to dwindle in the late 1950's. The regime's attempts to get additional manpower from other countries of the Soviet bloc where such hidden reserves still existed were rejected by their governments. Thus it was stated that in the future Czechoslovakia's economy could count on only the natural increase of labor supply of about 1 per cent per year. This percentage might even decline further due to Czechoslovakia's low annual population increases.⁷ Considering the fact that these newcomers will be needed primarily for the development of non-production activities—science, technical services, and so on—it was predicted that any further increase of output in industry would have to be achieved by an increase of labor productivity.

(6) *Wage structure and labor productivity.* The equalitarian tendencies in the remuneration of people for their work were attacked by all who participated in the debate and were given as the main reason for the low quality of output and low labor productivity. A remuneration index based on the average income of a locksmith (= 100) shows the following remuneration averages for the selected categories of employment: a construction worker, 114; a technical employee, 91; an unskilled worker, 70; an elementary school

teacher, 64. University education did not bring people out of this narrow remuneration range. The average income of a graduate engineer stood at 100, that of a high school teacher, at 95, that of a lawyer, at 90, and that of a professional economist, at 78 (all based on the locksmith's income = 100). The poor preparation of people for their jobs was also blamed for their low productivity. Only 30 per cent of industrial workers reported some vocational training, and only one half of the latter received training for the type of work they were doing.

(7) *Qualification of enterprise managers.* It was pointed out that in 1965 only 12 per cent of all enterprise managers were university graduates, while 56 per cent were high school graduates, and 32 per cent had not gone beyond the elementary school level in their formal education. This was regarded as the main explanation for their resistance to assuming more responsibility. They repeatedly showed their preference for executing quantitative orders channelled from central planning agencies.

THE NEM CURE

In the early 1960's, political leaders followed such learned debates with varying degrees of reluctance or embarrassment. Occasionally, they counterattacked or even silenced more aggressive debaters denouncing them as revisionists or Western-style liberals. Later, however, when the economy continued to stagnate and no symptoms of improvement appeared, the economists' views attracted more and more interest. While distrusted by the old party guard, they were asked even-

tually by younger party members to prepare proposals on how to rejuvenate the country's failing economy. Their blueprint was ready in September, 1964; after four months of heated discussions in the main party organs, it was endorsed in January, 1965, by the party's central committee as the basis of Czechoslovakia's New Economic Model (NEM). It marked a radical departure from the principles along which the Czech economy had been organized since 1948.

Originally, it was planned to issue detailed guidelines for the reform by June, 1965, and to iron out all transitional problems by the end of that year in order to switch the whole economy to the NEM plan in 1966. This timetable proved to be unrealistic. Ideological opponents within the party, potential job losers, with their delaying tactics, and numerous practical problems forced the government to slow the tempo at which the reform could be put into effect. All changes introduced during 1966-1967 aim to prepare for the reform, which will go fully into effect only with the publication of new wholesale price lists, now scheduled for the beginning of 1968.

Ota Sik, one of the chief architects of NEM, is also its main promoter in Czechoslovakia's press.⁸ According to him, the salient features of the new system include the following: The central planning authorities will continue to prepare and supervise the execution of the usual five year plans, but they will be shorn of many of their former prerogatives. Individual enterprises will be cut loose from detailed instructions from central planning bodies and their managers will have to make most of the tactical decisions themselves. The enterprises will be grouped horizontally (and some vertically) into "manufacturing economic organizations"—a kind of trust—of which there will be 8 in the fuel and power sector, 4 in mining and metallurgy, 19 in engineering, 14 in building and building materials, 5 in chemicals and paper, and 40 in food and consumer goods. For each group, these will handle matters of common strategy without interfering with the operational problems of each of their members. Profit will become the main indicator

⁸ See in particular the following studies and speeches of Ota Sik on the subject: "Czechoslovakia's New System of Economic Planning and Management," *Eastern European Economics*, Fall, 1965, Vol. IV; "Problems of the New System of Planned Management," *Czechoslovak Economic Papers*, Vol. 5, 1965; A series of three articles on the problems of transition from the old into the new system of management published in *Rude Pravo* of February 18, 22, and 23, 1966; "Prispevek k analyze naseho hospodarskeho vyvoje," (Contributions to the analysis of our economic development), *Politicka Ekonomie*, Vol. XIV, No. 1, 1966; "On the Eve of a New Stage of Development of the Socialist Economy," address at the 13th Congress of the Party, reprinted in *New Trends in Czechoslovak Economics*, July, 1966.

of the performance of individual enterprises. While the wholesale prices of their material inputs will be set so to be internationally competitive, the managers will have to produce the correct product mix (i.e., adjusted to the demand) at the lowest possible cost.

Investment and operational capital will no longer be available free of charge. Since the interest which the enterprises will have to pay will affect their profits, they will be induced to keep the borrowed funds at a minimum. For the same reason, they will also attempt to shorten the period of construction of their new developments. The retail price structure will be revamped to correspond more closely to real costs. Computers are expected to indicate the initial price for every commodity. Later, these will be allowed to fluctuate in response to supply and demand, but in the beginning most of them will be subject to price control. Only about one-third of them will be either free or subject to fluctuations within certain limits set by the central authorities.

In other statements, Sik indicated a few more aspects of NEM's intended policy:

The unhealthy equalitarian policies in the remuneration, a product of petty-bourgeois equalitarian spirit, must be abandoned.

On another occasion, he blamed former party planners for their extensive expansion efforts, which assured the quantitative fulfillment of the production targets but which also caused substantial increases in material and manpower inputs and resulted in a permanent deterioration of the effectiveness of production.

Enterprises will be put under heavy economic pressure which will force them to operate at highest profitability . . . those which continue to lag behind . . . after a certain time will be closed down.

He stressed repeatedly the importance of foreign trade which "must be expanded at a faster rate than national income." Trade with capitalistic countries must first of all aid in the badly needed overhauling of the country's productive equipment.

Oldrich Cernik, deputy premier and chairman of the state planning commission,

assumed the task of rehabilitating the market in the eyes of his comrades when he addressed them at the 13th party congress in June, 1966:

When Marx anticipated the circulation of goods without a market, he had in mind a Communist society . . . with a surplus of products. . . . The socialization of the means of production was a revolutionary jump . . . but can we say that we already have an incomparably higher working productivity than advanced capitalist countries? . . . We have the power to subordinate the effect of market relations so that they might serve our society. The market should be used for objectivizing value relations . . . for checking the usefulness of products, and for the regulation of microeconomic processes. Such a function of the market is not only compatible with a planned economy but also necessary and advantageous for socialistic society.

To convince the delegates that they would not commit any heresy if they accepted the reform's innovations, Sik reminded them that "the most fundamental precept of Marxism-Leninism is the precept about the permanent development and change of all things and phenomena in the world." The revisionist also ceased to be the villain in other official pronouncements at the congress and, instead, "the scholastic clinging of dogmatists to the letter of Marxism-Leninism" was frequently blamed for the troubles of the system.

CAN NEM SUCCEED?

Antonin Novotny, Czechoslovakia's indestructible president, usually walks a tightrope when he speaks of the reform. In one address, he may endorse it emphatically but when he speaks, for example, to a group of workers worried about their earnings or to a group of some alarmed party hacks, he promises to protect their specific interests—promises in direct contradiction to the very principles on which the reform is based. Having politically survived the Stalin-Khrushchev era, his party purges and his own family scandals, he is obviously getting ready to survive the reform. It would be just short of a miracle if he succeeds.

One could hardly expect that there will be enough evidence on hand to allow one to reach valid conclusions about the success or

failure of Czechoslovakia's bold experiment before the end of 1968. Some formidable obstacles lie in the way of its success. How will the regime find competent managers willing and able to accept the increased responsibilities which the NEM plan assigns to them? The alarmingly low educational standard of the present enterprise managers points to the need to restaff most of such positions. How will one overcome the threatening labor shortage, especially of skilled workers, when the hidden reserves are exhausted, those of other European countries are not available, and the government is committed to the gradual reduction of the prevailing 46 hour week? How will the enormous capital requirements be secured for many of Czechoslovakia's piled-up high-priority programs, the long overdue modernization of its old dollar earning industries (such as glass and chinaware), for the mechanization of agriculture, and for the introduction of new cost-saving technology into many manufacturing processes? Will Czechoslovakia succeed in concluding licensing agreements that would give it access to the world's latest inventions in productive technology? Will its political leaders eventually grasp what their economists try to explain to them—that principles of economic rationality are not incompatible with principles of socialism, and that to gain access to international and to Western credits does not require repudiation of the latter but only acceptance of the former?⁹ A gradual transition to the new system is a concession to the political leaders, a concession which the authors of the reform opposed on the grounds that it might discredit the whole idea of the plan. They warned, in vain, that such "gradualism" would produce the same results as if a country considering a change in her driving rules from left to right applied it first on a trial basis to only 10 per cent of the vehicles on the roads. How will the con-

fusion that attends gradualism be overcome?

Resource and technical obstacles apart, there is one more hurdle of crucial importance for the success or failure of the reform. This is the political decision the party will have to make when it sees the demonstration effect of the decentralization of the economy on other institutions of the system. Its leaders will find that it will be difficult to keep apart the political and the economic effects of the proposed reform measures. The official party organ, *Zivot Strany* (*The Party's Life*), keeps denouncing in every issue the "disquieting trends" which it finds in unconventional views printed on the pages of various cultural periodicals and in their editorial support of depolitization, decentralization, and democratization of public life. When the party marshals see that the monopoly of power is slipping out of their hands, will they not attempt to call off the reform and launch a last-ditch battle for the preservation of their commanding positions? Will the young intellectuals by then have enough popular support for all their "de-" campaigns so that they can silence the old party guard's opposition? And will they have enough competent professional and responsible group leaders on their side to help them to carry the reform to a successful conclusion? Should this happen, it might mean that the commemoration of Czechoslovakia's fiftieth birthday in 1968 will bring to its people not only promising signs of rejuvenation of their economy but of their political scenery as well.

Vaclav E. Mares, native of Czechoslovakia, came to the United States on a diplomatic mission for his home country following World War II. In 1948, he resigned from governmental service and joined the faculty of the Pennsylvania State University where he has been teaching ever since in the area of international economics. In past years, on his frequent research and lecture trips to Europe, Mr. Mares has studied regional development problems and policies in various European countries. He has written for this and other American journals.

⁹ Yugoslavia with her \$2.5 billion collected, since 1950, in credits and grants from the United States and other substantial credits received from such international agencies as the World Bank, the International Finance Corporation, and the International Development Association is the best example of the validity of this statement.

This seasoned observer offers a careful review of recent developments in Poland, developments indicating that most of the gains of the "October Revolution" of 1956 "have been lost."

The Hard Line in Poland

By RICHARD F. STAAR

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AT A MEETING at Warsaw University on October 21, 1966, professor of philosophy Leszek Kolakowski addressed faculty and students, commemorating the tenth anniversary of the "October Revolution," the upheaval which had brought with it such high hopes for democratic freedoms. Although no transcript of this lecture is available in the West, it is now known the speaker enunciated the view that there was no reason for celebration. Because of this public statement, he was expelled from membership in the Polish Communist Party.¹

Kolakowski probably told his audience that just a decade previously the people of Poland seemed to have made four internal gains as a result of that misnamed "spring in October." One involved the cessation of the all-pervasive secret police activity and the attendant atmosphere of terror. A second and more positive gain accompanied the development of liberalization in the cultural sphere. The agreement between church and state in

December, 1956, appeared to lift previous restrictions on spiritual life in the country. Finally, the peasants were allowed to leave collective farms and return to private entrepreneur activity.

Professor Kolakowski might also have described Polish foreign relations as full of dynamism and initiative a decade ago. Adam Rapacki, the foreign minister, at that time had proposed a plan for a nuclear-free zone in Central Europe which would have included both Germany, Poland and Czechoslovakia.² It looked as if the Polish communist leadership might be swinging in the direction of "neutralist" Yugoslavia. With supposed backing from Communist China, the newly-installed party leader, Wladyslaw Gomulka, was able to achieve a more equitable agreement with the Soviet Union which promised to respect Polish sovereignty and independence. Conversely, Poland's attitude toward the West and specifically toward the United States underwent a radical transformation. Warsaw even began to accept foreign aid from Washington. Unfortunately, most of these gains have been lost.³

The case of Professor Kolakowski was by no means an exception. In mid-1965, two Warsaw University lecturers (Jacek Kuroń and Karol Modzelewski) were sentenced to three and three and one-half years' imprisonment, respectively, for "producing and distributing publications containing information harmful to the interest of the Polish State" About a year later, a copy of the pamphlet these men had written finally

¹ *East Europe*, XVI, No. 1 (January, 1967), p. 46. Twenty-two of Poland's leading intellectuals, all Communist Party members, sent letters to the central committee to protest cultural policy. *Le Monde*, Paris (December 9, 1966) lists some of the names and identifications. Several of them have resigned from the party; some 7 to 13 others either were suspended or expelled.

² E. Orbason, "Grundriss der Geschichte Polens," *Die Orientierung* (Oberbayern), No. 212a (1966), fifth double issue, p. 23.

³ See the author's "Retgression in Poland," *Current History*, XLVIII, No. 283 (March, 1965), pp. 154-160, 179-180.

⁴ *Trybuna ludu* [People's Tribune], Warsaw (July 20, 1965).

reached the West and was published in the Polish language in Paris under the title, "Open Letter to the Party."

This pamphlet revealed the low standard of living in Poland, the muddle in the economy, and the arbitrary rule of the bureaucracy. Much of this information has been corroborated by implication in the many articles of criticism that have been printed in the Polish communist press during recent months. Not even the communists themselves would deny that their party, comprising 1.8 million members or approximately 5.7 per cent of the population, holds a monopoly position of power throughout the country. Quoting from the Kuroń-Modzelewski pamphlet: "No essential decision can be either taken or implemented without approval by party authorities."⁵ This is assured by the interlocking directorate of the party elite.

National elections to the *Sejm* (parliament) represent a fiction, according to the pamphlet. Deputies are chosen every four years from one list of candidates, selected in advance by the Communist Party leadership. There is no real difference between the program of the Polish United Workers' (Communist) Party and that of the two subordinate political groupings that have representation in parliament.

What follows is probably the most damning part of the indictment, because it describes the lot of the industrial workers for whom the party was named and on whose behalf it allegedly rules:⁶

The working class has no possibility of organizing itself. . . . This monopoly of the ruling party over

workers' associations is guarded by the entire apparatus of state authority and power: administration, political police, public prosecutor, courts, and also political organizations directed by the party which unmask at their origin any attempts to undermine the leading role of the PZPR [*Polska Zjednoczona Partia Robotnicza* or Polish United Workers' Party]. . . . Each broadly conducted strike in this situation must transform itself into a political conflict with the bureaucracy. For the working class, this is the only way to change its conditions.

The authors of the pamphlet demand a genuine multiparty system for the workers, with each political group having "its own press and [the right] to publish its own programs . . . to organize its own cadres of activists and propagandists, and to establish [its own] party . . . preventive censorship should be abolished, and full scientific and artistic freedom [should be restored]."⁷ In the Poland of today, however, such views are rewarded with imprisonment.

Realizing that the population is becoming increasingly hostile, the communist regime has allowed the secret police to reinforce its power over the community. The Small Penal Code, on the basis of which Kuroń and Modzelewski were prosecuted, is a relic of the Stalinist dictatorship in pre-1956 Poland, but it still remains in force.

CAMPAIGN AGAINST THE CHURCH

Besides the intellectuals, who have no independent organization of their own, the only other potential threat to the communist regime is the Roman Catholic church. Traditionally, most Poles have practised this faith. Less than two per cent of the population today (almost 32 million) belong to minority groups. This implies a greater degree of influence for the church than ever before; perhaps for this reason, the regime in Warsaw intends to eliminate religion completely.⁸

The leadership of the church has become the target of renewed communist propaganda within the past year and a half. Thus, Stefan Cardinal Wyszyński and Archbishop Antoni Baraniak were attacked by regime media for making speeches at the Ecumenical Council in Rome without mentioning "the avoidance

⁵ J. Kuroń and K. Modzelewski, *List otwarty do partii* (Paris: Instytut Literacki, 1966), p. 12.

The coauthor of this pamphlet is the son of Zygmunt Modzelewski, who was a hard-core Communist and served as foreign minister until his death in June, 1954.

⁶ *Ibid.*, pp. 13 and 65. For corroboration of these conditions, see the information given by a high-level defector in Radio Free Europe (R.F.E.), *Colonel Tykociński's Revelations* (Munich, 1966), 65 pp., mimeographed.

⁷ Kuroń and Modzelewski, *op. cit.*, pp. 79-80.

⁸ On the atheistic campaign in rural areas, see Józef Kuczyński, *Podstawy światopoglądowe chłopów* (Foundations of Peasants' World Outlook) (Warsaw: Wiedza Powszechna, 1961), esp. pp. 143-164.

of war, disarmament, and world-wide co-operation by states and peoples on behalf of peace."⁹

The following month, both the cardinal primate and 35 Polish bishops who had participated in the sessions at the Vatican sent a message to the Catholic bishops in both Germanys inviting them to attend the May, 1966, millenium celebration at Czestochowa. This document reviewed the 1,000 years of relations between the two peoples, called for a "dialogue," offered forgiveness, and asked for it in return.

Subsequently, the communist regime attacked the church hierarchy for entering into foreign affairs.¹⁰ Cardinal Wyszyński was not allowed to leave for Rome in January, 1966; thereafter all foreigners were refused visas to attend the millenium celebration. Pope Paul VI's proposed trip to Poland was declared "inopportune" by the government in Warsaw, and he did not attend.

The heightened tension, caused by the constant outpouring of abuse in the communist press, finally led to antiregime demonstrations. One of these, at Warsaw, involved about 1,000 persons whose ranks were broken only after helmeted riot police had charged twice.¹¹ Perhaps due to these disturbances, Cardinal Wyszyński was not allowed to make a planned visit to the United States in August, 1966. Thus, the primate is being refused a passport for travel abroad presumably on the grounds that he represents a security risk to Poland.

Realizing that the elimination of religion is a long-range proposition, the communist government decided to strike at the center of the church by attacking the seminaries. The first step involved "sanitation" control over

the buildings used for training future priests. Next came the demand that government officials from the education ministry in Warsaw check to see whether textbooks used in the seminaries were "at the required level."¹² Finally, after these demands had been met by the episcopate, the communist regime attempted to place its own bureaucrats on the examination committees. This last maneuver has been rejected.

The most recent church-state controversy started in December, 1966, when the regime's office for religious denominations decided to close down six Roman Catholic seminaries in the following cities: Gniezno, Przemyśl, Drohiczyn, Warsaw, Kraków and Zduńska Wola (near Łódź). The pretext for this move was the refusal by the episcopate to dismiss the rectors of these educational establishments, although the government had ordered them dismissed because they had not admitted regime inspectors.¹³

Cardinal Wyszyński declared in a Christmas Day sermon at Warsaw Cathedral that the church would continue to resist. Talks apparently have been resumed between church and state on the matter of the seminaries. Perhaps the permission granted Archbishop Boleslaw Kominek to visit Rome,¹⁴ the first prelate visit in over a year, may indicate that an agreement is near.

AGRICULTURE AND THE PEASANT

Despite the fact that over 85 per cent of the arable land in Poland belongs to private entrepreneur farmers, there are sizeable annual imports of grain. On December 8, 1966, party leader Gomulka admitted to a congress of agricultural circles that Poland had imported an average of 2.6 million tons of grain per year during the preceding five years. The U.S.S.R. has promised to supply one million tons of grain to Poland during 1967.¹⁵ In order to alleviate the agricultural problem, the Warsaw regime had planned to invest sixteen billion zlotys (in purchasing power, about 100 to the dollar) in farming during 1966.

The government had already increased its payments in the fall of 1965, both for com-

⁹ *Zycie Warszawy* [Warsaw Life], Warsaw (October 16, 1965).

¹⁰ *Ibid.*, December 10, 1965.

¹¹ *The New York Times*, June 27, 1966.

¹² Free Europe Committee, *Biuletyn prasowy* [Press Bulletin], New York, XIII, No. 25 (December 27, 1966), p. 1.

¹³ R.F.E., *Situation Report*, Munich (December 15, 1966), pp. 1-3.

¹⁴ *The New York Times*, January 22, 1967.

¹⁵ *Trybuna ludu* (November 4, 1966). For the speech by Gomulka, see R.F.E., *Situation Report*, Munich (December 12, 1966), p. 1.

pulsory deliveries and contract sales. In late 1966, Gomulka promised to give price rebates to those farmers who stopped purchasing fodder, tax allowances for those who sold the government more grain than the agreed minimum, and interest-free credits to buy fertilizers.

However, cultivation of crops remains inefficient, and one of the reasons for this involves dwarf farms, which cover about 15 per cent of the arable land. That the regime does not intend to strengthen private ownership can be seen by its passivity with regard to consolidation of holdings.¹⁶ If holdings were consolidated, private property could be strengthened.

On the other hand, agricultural circles are being promoted in the hope that they may instill a collectivist attitude among the peasants. Some 33,000 of these exist with over 1.8 million members, in addition to the 26,500 "village housewives circles."¹⁷

Membership in these organizations is said to have increased by more than 700,000 since the previous congress in June, 1963. Farmers are probably not too happy with the regime because, although food prices have gone up constantly during the past six years, the purchasing power of the zloty has fallen by 30 to 40 per cent over the same time span.¹⁸ The minimum wage was raised in August, 1966, from 750 to 850 zlotys per month; but this did not affect the private farmer.

If the peasant with his own farm or small garden plot can be said at least to have suf-

¹⁶ R.F.E. report by J. F. Brown, "Poland in the 10 Years Since October," Munich (October 4, 1966), p. 4.

¹⁷ Interview with Franciszek Gesing, chairman of the Union of Agricultural Circles, over *Radio Warsaw*, December 7, 1966.

¹⁸ E.G., "Zehn Jahre nach dem Polnischen Oktober," *Die Orientierung*, No. 213 (September, 1966), p. 24.

¹⁹ Brown, R.F.E. report, p. 7. Over ten years, the natural increase has dropped from 19.5 per thousand of the population to 10.0 per thousand in 1965. *Biuletyn prasowy*, XIII, No. 20 (October 20, 1966), p. 5, citing official sources.

²⁰ *Biuletyn prasowy*, XIII, No. 19 (October 5, 1966), p. 6.

²¹ Speech by Planning Commission chairman, Stefan Jedrychowski, in *Trybuna ludu* (November 12, 1966).

²² *The Economist* (London), CCXXII, No. 6437 (January 7-13, 1967), pp. 25-26; air edition.

ficient food, the fate of the urban worker is much worse, despite the minimum wage increase. In the words of an acute observer, "the standard of living shows no perceptible rise, except in the statistical yearbooks."¹⁹ A reform of the economy aims to head off complete frustration and the threat of unemployment. Implementation began after adoption of the required resolution by the fourth plenum of the Communist Party's central committee on July 28, 1965.

The economy is allegedly to be based on the concepts of profitability and cost-effectiveness, as applied to the individual factory. The principle of central planning is to be retained, but industrial combines and other economic institutions are allowed to prepare their own plans.²⁰ It was soon established that many plants receiving government subsidies could not operate other than on a deficit basis. These, including heavy industry, have been exempted from the reform. Due to the complexity of the reform, many of the larger factories have not been involved either.

The new five-year plan, adopted on November 11, 1966, for the period 1966-1970, anticipates a 40 per cent rise in industrial production.²¹ However, even if this goal is achieved, it will not solve all of Poland's problems. Over two decades, the U.S.S.R. took everything that was exportable. Now, the East Germans and the Czechs are competing for the Soviet market. If Polish industry does not go into electronics, chemicals, plastics and other modern types of production, it will not be able to compete.²² This leads to a discussion of Poland's relations with the West, involving the need for both industrial equipment and technological expertise.

FOREIGN AFFAIRS

One would have thought that it is common sense not to offend a country that extends aid. Relations with the United States had been developing favorably, with American aid in the form of surplus agricultural commodities under Public Law 480 and credits for machinery. In order to implement his policy of "building bridges to Eastern Europe," President Lyndon B. Johnson

appointed John A. Gronouski, an American of Polish extraction (although not speaking Polish), as ambassador to Warsaw, where he arrived in November, 1965. Instead of reciprocating with friendship, the communist authorities in Poland "encouraged and sanctioned"²³ three attacks by mobs on the United States embassy within a period of six weeks, allegedly because of American air raids on North Vietnam.

It has also been reported that the Polish regime agreed to contribute \$30 million to the \$1 billion in aid which Moscow and its allies have promised Hanoi. Apart from this, during the same month, an agreement with North Vietnam that involved unspecified long-term interest-free credits and nonrefundable economic aid was signed in Warsaw. This was followed by the announcement that the 1967 Polish-North Vietnam commercial treaty would amount to a total of 2.7 million foreign exchange zlotys (\$675,000).²⁴ Finally, on December 15, 1966, in a formal statement, the Polish regime denounced United States air attacks in the vicinity of Hanoi.

Subsequent to the stoning of its embassy and Polish condemnation of its activities in Vietnam, the American government offered Poland a New Year's gift for 1967, namely a proposal to accept payment in zlotys on a substantial part of the \$26 million interest-free loan to be used for purchasing mostly grain and cotton in the United States. The total debt accrued over the past decade has grown

to just short of half a billion dollars. At any rate, the zlotys would then be used for "mutually advantageous" projects, like the Children's Hospital in Kraków (which had cost the United States more than \$12 million in 1965), for public works, the subsidy of English studies, and other educational or cultural programs.²⁵

Polish relations with the Soviet bloc, on the other hand, are based on a common ideological commitment which by definition presupposes goodwill. For example, Poland's membership in the Council for Mutual Economic Assistance (CEMA) has proven to be rather expensive. Large capital investments have been diverted to long-range bloc economic improvement projects. This capital could have been used for shorter-range domestic programs. Heavy expenditures for construction of the Polish section along the Danube-Oder Canal and exploitation of brown coal deposits in the Turoszów area represent two such illustrations of large investments. The best example, however, is perhaps the so-called Friendship Oil Pipeline²⁶ which crosses Poland from the U.S.S.R. on its way to Schwedt, East Germany. A refinery is being constructed at Plock to process this Soviet petroleum.

THE RECOVERED TERRITORIES

The growing economic influence of Moscow can be seen in the new five-year trade agreement (1966-1970) which will increase commercial exchange by 63 per cent to a total of 8.3 billion zlotys.²⁷ Apart from such close economic relations, the Soviet Union poses as the only protector of Poland against an alleged West German revanchism. The most tangible aspect of this "threat" involves the Oder-Neisse boundary and the former German lands to the east of that line which have been in de facto possession of Poland since 1945.

Besides asserting legal and historical rights to these so-called Recovered Territories, the Warsaw regime has repopulated them with over 8.3 million Poles. They provide over one-third of the country's GNP.²⁸ Many statesmen in the West apparently regard

²³ *The New York Times*, July 20, 1966, quoting Ambassador Gronouski.

²⁴ *Radio Warsaw* (October 27, 1966); *The New York Times*, October 28, 1966; and R.F.E., *Situation Report* (October 31, 1966), p. 4.

²⁵ See the speech by President Lyndon B. Johnson, "The United States and Poland; Strengthening Traditional Bonds," *The Department of State Bulletin*, LV, No. 1428 (November 7, 1966), pp. 713-714, on what the administration plans to do in the future along lines of building bridges to Poland.

²⁶ *The New York Times*, July 4, 1966. Poland has also provided 70 million rubles for expansion of Soviet potassium production in exchange for a share of this raw material. *Pravda* (Bratislava), (January 1, 1967), p. 7.

²⁷ *Radio Warsaw* (November 18, 1966).

²⁸ Kazimierz Secomski, "The Western Territories: 20 Years of Development," *Polish Perspectives* (Warsaw), VIII, No. 9 (September, 1965), pp. 3-13.

Poland's hegemony over these areas as a *fait accompli*, although none has given legal recognition to it. Even the French refrained from doing so in September, 1965, when Premier Józef Cyrankiewicz paid a visit to Paris.

On the twenty-seventh anniversary of the German attack against Poland and a year after his trip to France, Premier Cyrankiewicz was quoted as having this to say about West Germany:²⁹

Revisionist demands, extremist political movements of a neo-Hitlerite coloration . . . these are symptoms of a disease which once devoured the Weimar Republic. . . . Head after head is growing on the hydra to the west of the Elbe [River] which unfortunately was not killed.

The Federal Republic of Germany [West] has clung to the 1945 Potsdam Agreement formula, whereby the borders of a reunified Germany can be settled only at a peace conference. This was reaffirmed by the new chancellor, Kurt Georg Kiesinger, in his programmatic declaration to the federal parliament at Bonn.³⁰ However, four weeks later, this same man announced that his government would launch a great peacemaking drive in Eastern Europe. Regarding the Oder-Neisse border, Kiesinger indicated that he would like to achieve a preliminary agreement acceptable to both sides until a peace treaty could be signed.³¹ It is doubtful that Gomulka will accept less than full recognition

of the boundary line before establishing diplomatic relations with West Germany.

THE SINO-SOVIET DISPUTE

On the important and potentially most explosive foreign policy issue for world communism—namely the schism between the U.S.S.R. and Red China—the Polish communists initially attempted to avoid taking a stand. Apparently under Soviet pressure, translations from anti-Peking articles or statements published in Moscow began to appear in the press of Poland. The first cautious criticism was not self-initiated until the end of August, 1966.³² A month later, all Polish newspapers were reprinting anti-Chinese articles from Warsaw newspapers.

Even this does not mean that the communist leadership has given full support to the anti-Peking campaign of the Soviet comrades. Thus, at the Bulgarian party congress in November, 1966, the suggestion was made for a world conference of communist parties which would take up the matter of Red China. Some of the foreign representatives at Sofia gave their support to this proposal; others opposed it. The Polish delegation did not take any stand.³³ On the other hand, the chief Polish delegate to the Hungarian party congress in late November and early December, 1966, Politburo member and deputy premier Franciszek Waniolka, stated that "in its striving for unity, the international communist movement can not give up such a proven weapon as an international conference of the communist and workers' parties." He

(Continued on page 244)

²⁹ Unsigned editorial, "Zaczelo sie od Stuttgartu" [It Began in Stuttgart], *Trybuna ludu* (September 4, 1966).

³⁰ *News from the German Embassy*, Washington, D.C., X, No. 15 (December 16, 1966), p. 4.

³¹ *The New York Times*, January 19, 1967. See also the excellent analysis of Polish attitudes toward the Germans in Jerzy Hauptmann, "Die Wiedervereinigung Deutschlands: Hoffnungen und Befürchtungen," in Alfred Domes (ed.), *Die Politik des Westens und Osteuropas* (Köln: Verlag Wissenschaft und Politik, 1966), pp. 154-167.

³² *Trybuna ludu* (August 26, 1966); *ibid.* (September 7, 18, and 29, 1966). Note the roundup of statements by about 50 communist and workers' parties, as given by *Polityka* [Politics], Warsaw (November 26, 1966); translated in *Polish Press Survey*, Munich, No. 2035 (December 8, 1966), pp. 1-5.

³³ *Krasnaya zvezda* [Red Star], Moscow (November 15 through 22, 1966), gave daily reports on the Bulgarian congress.

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As this author evaluates current conditions in Yugoslavia, "It is probably time to revise [the] estimate" . . . of Yugoslavia as an underdeveloped nation. "Yugoslavia is by now well-launched into modernity."

Economic "Reform" in Yugoslavia

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FOR THE PAST TWO YEARS, the Yugoslav scene has been dominated by a far-reaching program of economic and political innovation whose central purpose is to establish what can best be called a "socialist market economy." The ultimate goal is an economic system in which socially-owned, worker-managed enterprises will produce, co-operate and compete free from any direct political intervention. By no means coincidentally, the nation's leaders assert that in the process of working toward this goal a truly humane and democratic social order will gradually be created in Yugoslavia.

This is not the first time that such reforms have been attempted in this communist but resolutely independent Balkan nation. The initial steps were taken as far back as 1950, when the first "workers' councils" were set up, hesitantly and experimentally, in Yugoslav factories. But the current program, which Yugoslavs have dubbed, appropriately, "the Reform," goes far beyond anything yet attempted. It is having and will continue to have a profound effect upon Yugoslavia. What is perhaps most significant in this is the fact that economic and political issues have become intertwined in a way that has unquestionably promoted Yugoslavia's evolution in the direction of greater "liberalism."

¹ David Tornquist, *Look East, Look West: The Socialist Adventure in Yugoslavia* (New York: The Macmillan Company, 1966), p. 170.

² *Yugoslav Facts and Views* (New York), No. 18, January 17, 1967, p. 1.

Yugoslavia's relationship to a rapidly developing world economy provides the context of the Reform. Trade is the essential element of that relationship. A recent study of contemporary Yugoslavia states this point very cogently.¹

Already the economy has developed to a point where it must export heavily if it is to continue expanding. Population growth and further rises in the standard of living will expand the domestic market, but there are certain inherent limits in this growth; the population will never be large enough to consume mass production of very many industries. At the same time, a developing economy requires more and more imports—machines for modern industrial processes, certain raw materials, and increasingly varied consumer goods. These must be paid for with exports, or the country's balance of payments will show a greater and greater deficit.

International trade is a difficult and highly competitive field, particularly for those nations which, like Yugoslavia, are not members of any trading bloc. To import the goods required by an expanding economy and a rising standard of living, Yugoslavia's exports must be able to satisfy the increasingly rigorous demands of the world market, both as to quality and as to price. Only an economy whose productive units are competently and efficiently managed will, in the long run, be able to meet these standards. That Yugoslavia's leadership is acutely aware of this problem was made clear by Tito when he said in a recent television panel appearance:²

Yugoslavia is already fairly well developed. I cannot say that it is highly developed, but it has become a medium-developed country. And the conditions existing in the world today concerning economic cooperation are such that backward, weak and small enterprises cannot participate in the international division of labor. That is why integration and complete specialization in production are necessary so that production can be as inexpensive as possible, of the widest possible assortment, and of the highest quality.

In a very real sense, this is what the Reform in Yugoslavia is all about: its ultimate aim is the "modernization" of the Yugoslav economy, within the framework of the Yugoslav concept of socialism.

The roots of the present Reform go back to the early 1960's, when the Yugoslav economy, following several years of satisfactory development, rather abruptly began to falter. A strong inflationary trend set in. Real wages fell. The rate of industrial growth dropped sharply, from a yearly average of 12 to 15 per cent in the late 1950's to 7 per cent in 1961 and 4 per cent in 1962. Most important, exports failed to grow as planned and the foreign trade deficit (a chronic problem in post-war Yugoslavia, as in most developing nations) rose alarmingly to a new high of 102 billion dinars, about \$340 million, at the official rate of exchange in 1961.

Although there were a number of factors contributing to this particular crisis, such as a two-year drought and a sharp rise in luxury imports, the key factor was the failure of productivity to keep pace with investment. During the late 1950's and on into the early 1960's, enormous amounts of capital were being invested in the Yugoslav economy, but something was operating to prevent the investment from paying off in commensurate increases in economic output. That "something" was located in the lower levels of the

economy, where it was increasingly apparent that the blend of local initiative and central guidance which had been worked out for the Yugoslav economy during the latter part of the 1950's was no longer functioning properly.

Essentially, the problem was that, while past economic (and political) decentralization had indeed given local communities and their associated enterprises considerable control over investments, production plans, prices, wages and profit distribution, means had not yet been found to assure that these powers would be used responsibly and, from the economic point of view, efficiently. In particular there was a strong tendency, especially in the less-developed regions of Yugoslavia, to invest heavily in new enterprises which could not justify themselves economically and whose primary purpose was to provide jobs for the local population or in some cases simply to inflate local prestige.³ Some estimates placed the number of such "uneconomic" enterprises as high as 20 per cent of the total. Following deeply-ingrained habits of thought, local officials tended to look to the central authorities—both party⁴ and state—to bail them out of the difficulties arising from these practices. The central authorities, no longer in a position to prevent local misuse of resources, found themselves nevertheless under strong political pressure to authorize special subsidies, additional investment funds, grants and other aid, in order to prevent the collapse of weak enterprises and the attendant problem of increased unemployment.

In this way, a situation had developed whereby the state was in effect subsidizing and encouraging waste and inefficiency in the economy. All this was brought sharply into focus by the 1961–1962 economic crisis.

DEBATE OVER REFORM

The crisis itself was dealt with effectively by a series of short-term measures of an emergency nature (freezing of investment funds, imposition of tight controls over imports, and so on), but the basic problem of productivity which it uncovered generated a thoroughgoing debate within the leading Yugoslav political and economic elites. Two broad positions

³ Visitors to Yugoslavia are often impressed by the great variety of domestic cigarette brands they find there. The explanation is simple: practically every sizable city in Yugoslavia produces a cigarette bearing its name or symbol.

⁴ The communist party in Yugoslavia is called the Yugoslav League of Communists, in order to stress its looser and more democratic structure. However, as it still retains the character of a political party, it will be referred to as a "party" in this article.

gradually emerged: a "conservative" view, favoring the reimposition of much tighter central controls over investments, prices, output, profit allocation, among others; and a "liberal" view, arguing that decentralization must be carried to its logical conclusion by making enterprises *truly* free—free not only to succeed, but also to fail, without state intervention, even if this created temporary local hardships, such as increased unemployment. Only in this way, the liberals maintained, could inefficient and superfluous enterprises be uncovered and eliminated, and the profitable and essential ones be rewarded and strengthened. A corollary of the liberal view was that the powers of the state bureaucracy should be further reduced at all levels, while those of workers' management organs and community representative organs should be correspondingly increased. This, they argued, would encourage the development of responsibility and competence among ordinary citizens and would bring economic policy into closer alignment with the real needs of the community.

The "conservative" position tended to be held by middle-level—and middle-aged—state and party bureaucrats who had entered politics during the Yugoslav Civil War (1941–1944) or during the early postwar Stalinist era (1945–1949). The "liberals" tended to be younger men, products of the more relaxed and pragmatic post-Stalin era, typically with more education and technical training than their conservative counterparts. However—and this was crucial—the "liberal" view also had the support of a number of senior party leaders, including, to an increasing degree, the ageing but still powerful and respected leader of communist Yugoslavia, Josip Broz Tito.

Interestingly enough, the "liberal" view triumphed first not in the economic but in the political sphere. In the summer of 1963,

⁵ For a good discussion of these measures and their effects see A. Z. Rubinstein, "Yugoslavia's Opening Society," *Current History*, March, 1965, pp. 149–153.

⁶ Josip Broz Tito, "Closing Address; Fourth Session of the Central Committee of the League of Communists of Yugoslavia," *Yugoslav Facts and Views*, July 14, 1966, p. 38.

after considerable intraparty and public discussion, a new federal constitution was adopted which in a number of significant and effective ways circumscribed the powers of the state bureaucracy and enlarged the competence of representative organs.⁵ Similar changes were written into the party statute itself 18 months later at the eighth congress of the Yugoslav League of Communists.

The economic debate, however, continued until July, 1965, when the "liberal" view finally emerged victorious—or so it seemed. At that time, the federal assembly passed a series of measures embodying the liberal program, drastically reducing those direct state controls over the economy which still remained, and encouraging autonomy, efficiency and competition within the economy down to the very lowest levels. In particular, the reform was designed to reduce the rate of investment by removing practically all investment funds from state control and placing them in new, autonomous investment banks. It was anticipated that these banks would make investment loans not on a flexible, "political" basis, as in the past, but on a strict "economic" basis of prudence and profitability. These and other changes were not to be introduced abruptly, but over a period of several months.

OPPOSITION TO REFORM

It is one thing to legislate economic reform. It is another to put it into practice at all levels of a system. During the remainder of 1965 and on into 1966, it was becoming increasingly evident that the Reform was being resisted or sidetracked by large numbers of party and government officials. Tito himself later said:

While the working man in our country accepted the economic and social reform with complete trust, among the top ranks of the League of Communists, due to the relations and indecisions existing there, constructive work on implementing the economic reform was obstructed and paralyzed.⁶

In February, 1966, the party's central committee was convened to discuss the problem of reform implementation. There was much

talk of the need for party discipline, but no action was taken. A second session was held in March, but again took no action. However, at that time Tito warned that if the obstruction had not ceased by the end of June, something drastic would have to be done.

Tito's warning was evidently not heeded. On July 1, 1966, the central committee met for the third time, this time not to talk but to act. Aleksandar Ranković, vice-president of Yugoslavia and secretary of the party's central committee and, after Tito, the most influential communist in Yugoslavia, was publicly reprimanded and stripped of his offices. The state security apparatus, which he had headed in the past and to which he still retained close personal ties, was accused of violating the law and trying to impose its views upon the country as a whole. Tito promised a full investigation of the whole problem of bureaucratic opposition to economic reform, a purge of those responsible, and a reorganization of the party aimed at reducing further the power of the apparatus and increasing the role of ordinary members.

It would be incorrect to ascribe Ranković's fall entirely to the economic issue. There was also the element of Yugoslavia's chronic nationality problem, in that Ranković, a Serb, had been favoring Serbians over the other nationalities in his role as head of the party apparatus. Fear of the personal power that Ranković had accumulated was undoubtedly another factor. At 74, Tito is clearly nearing retirement, but he has no desire to leave the scene in the manner of Khrushchev, Sukarno, Ben Bella and other national figures suddenly toppled by powerful colleagues. The discovery that security organs had been guilty of electronically bugging Tito's own residence must have heightened Tito's anxiety.

But in the last analysis, the central issue was the Reform. This was made clear at the July central committee meeting, in speech after speech during the rest of that year, and in the subsequent removal of some 400 party and government officials accused of blocking the drive for economic reform.

In the late fall of 1966, the promised party

reorganization was carried out. It separated policy-making and executive powers within the party and placed at the head of the new executive organ a relatively young party figure, Miyalko Todorović, well-known for his strong support of the Reform. It also emphasized the desirability of broader and more open debate within the party and, as already noted, the need to engage ordinary party members more meaningfully in the management of party affairs.

POLITICAL IMPLICATIONS

At the same time, Tito and other party leaders made it clear that the party had no intention of giving up its predominant position in the Yugoslav political system, or even of permitting public discussion of the alternatives to a single-party system. This was clearly indicated by the "Mihajlov Affair" in September, 1966. Mihajlo Mihajlov was a young Croatian linguistics professor who had already run afoul of the system in 1965 for publishing unflattering descriptions of the Soviet Union. Embittered by his trial and brief imprisonment, he had turned his critical attention upon his own country and in August, 1966, issued a public appeal for the establishment of a new journal that would undertake to criticize the party openly and lay the groundwork for an opposition party. For this he was arrested again, together with several associates, and tried for "spreading false rumors." Convicted, he appealed to the Croatian supreme court, which upheld the one-year jail sentence.

The Mihajlov affair should not be overstressed. It simply reiterated the fact that there are still limits to dissent in a Yugoslavia far freer in this regard than any other East European country. Perhaps a more significant barometer of current Yugoslav politics was the release, in late 1966, of Milovan Djilas, a former close associate of Tito who had broken with the party in the early 1950's. Imprisoned several times since then, he was serving a nine-year sentence for having published abroad, against the party's wishes, a volume of political reminiscences, entitled *Conversations with Stalin*. Coming four

years ahead of schedule, the release represented a kind of rehabilitation for Djilas, who in the past had harshly criticized the very sort of thing for which Ranković and others have now been punished. At the time of his release, Djilas told a Western newsman: "One thing is certain, . . . I shall not lead a life of isolation and anonymity in exchange for prison life."⁷ Under present conditions, it is by no means impossible that Djilas might return to an influential position within the country's leading circles.

Another striking manifestation of the new political climate occurred at about the same time in Slovenia, one of the six constituent republics of Yugoslavia. A conflict over a tax proposal between the Slovene assembly and its executive organ resulted in the resignation of the Slovene premier and his cabinet. The matter was resolved when the premier modified his tax proposal and was reinstated. While it is true that ever since the new constitution was adopted in 1963, there has been considerably more give and take between representative and administrative branches of the Yugoslav state system, this was the first time that an assembly had applied the ultimate sanction of such bodies: the vote of no-confidence. This would have been unthinkable in Yugoslavia before 1963 and was clearly linked to the liberal spirit of the Reform itself.

THE REFORMED ECONOMY

Turning from the "liberalized" political sector to the matter of economic performance, one encounters a less encouraging picture. The problems of over-investment, inefficiency, inflation and unemployment are deep-seated, and cannot be solved overnight by the mere elimination of political opposition to economic reform.

During the second half of 1966, the rate of investment continued to be much higher than that deemed wise by the advocates of economic reform. According to *The New York*

Times,⁸ Yugoslav officials estimated that "in 1966, investments grew 13 per cent, while gross output only rose 5 per cent." Strong pressure for investment was still occurring in both the highly industrialized northern regions of Yugoslavia and the under-industrialized south. "Caught in the middle," the article continued, "are the Federal economic planners and architects of reform who recognize the inflationary perils of investments that have not been paid for by increased output." Evidently, inefficient enterprises were still managing to find ways of covering their losses. Only modest progress has been made in the drive to expand foreign markets for Yugoslav manufactured goods, so essential to the Yugoslav economy at this juncture.

Even more serious were the sharp rises in the cost of living during the fall of 1966. These rises were an important factor in a rash of strikes, or "work stoppages" as the Yugoslavs call them, by workers dissatisfied with their economic situation. Unemployment, recognized by the "liberals" as an unfortunate, but hopefully temporary byproduct of the Reform, continued to grow alarmingly. By the end of the year there were several hundred thousand unemployed workers in Yugoslavia and the government was actively encouraging them to leave Yugoslavia temporarily and seek work in West Europe.⁹

It is much too early to say that the Reform is failing in Yugoslavia. It is, however, still far from having carried through the thoroughgoing overhaul which the economy must have if it is ever to compete effectively on the world market.

FOREIGN RELATIONS

In recent years, Yugoslavia's foreign policy has been far less dramatic than its domestic affairs, even though the two are closely related. The Yugoslavs have continued to follow the basic strategy, developed in the mid-1950's after Stalin's death, of conciliation with both the socialist and capitalist worlds, and of active leadership within the underdeveloped world. Behind this strategy lies the earnest desire to broaden the country's international economic ties, for Yugoslavs learned

⁷ *The New York Times*, January 5, 1967, p. 13.

⁸ *The New York Times*, January 16, 1967, p. 58.

⁹ Milan Bajec, "Workers Abroad," *Review: Yugoslav Monthly Magazine* (Belgrade), XII (1966), pp. 6-7.

early, in the aftermath of their 1948 expulsion from the Soviet-dominated cominform, the folly of over-reliance upon one set of economic relations.

Just as recent domestic policy has aimed to make the Yugoslav economy internationally competitive, so foreign policy has sought to keep open, and to enlarge, a wide range of trading possibilities. In August, 1966, Yugoslavia became the seventeenth member of the General Agreement on Tariffs and Trade (GATT), an organization of Western industrial nations working toward mutual reduction of barriers to international trade. Membership entitled Yugoslavia to share the benefits of any successes achieved by that organization. The hope is that membership will provide an entree into the rapidly-growing West European economic region. The Yugoslavs have also held bilateral trade talks with most of the Western capitalist nations, including the United States, which was visited by a high-level trade mission in the spring of 1966.

At the same time, efforts have been under way to improve economic ties with Yugoslavia's communist neighbors in East Europe, both multilaterally and bilaterally. Although still not a full member of COMECON¹⁰ (Council for Mutual Economic Assistance), Yugoslavia has participated in its deliberations and in some of its special projects. Work continues on the vast hydroelectric project which Yugoslavia and Rumania are jointly constructing on the Danube River. In May, 1966, a major agreement was concluded with the U.S.S.R., establishing close collaboration in the fields of metallurgy and power. Even Yugoslav-Albanian relations, which have been extremely hostile ever since 1948, thawed a bit for the first time with the conclusion of an agreement for limited touristic exchanges. Only in the case of China has there been no positive Yugoslav initiative for closer ties to a "fraternal socialist state." This is hardly surprising, however, in view of the violence of Chinese anti-Yugoslav polemics and the limited possibilities for profitable trade with China at this time.

Relations with the third world also stress the need for expanding trade. During 1966, major trade—and aid—agreements were signed with India and with several East African states. High-level talks were held with Egyptian, Algerian and Indian leaders, perhaps in the hope of reviving the earlier Yugoslav project of a nonaligned bloc, but also for the purpose of promoting trade relations.

As for so many other nations the world over, the Vietnam conflict constitutes a particularly difficult foreign policy issue for Yugoslavia. As a socialist state, it finds it difficult to stand by passively in the face of United States' bombing of Communist North Vietnam. On the other hand, support of the North Vietnamese and condemnation of the Americans—even moderately phrased—has its economic costs. At the end of 1966, in retaliation for Yugoslav medical aid to North Vietnam, the United States canceled a 500,000 ton surplus wheat deal which figured importantly in long-range Yugoslav development plans. Tito publicly acknowledged the right of the United States to take this action, but Yugoslav economic officials made no secret of their disappointment and of the difficulties the action would cause for Yugoslav economic development. In the long run, however, neither this particular incident nor the war in general are likely to diminish Yugoslavia's interest in expanded trade with the United States, for that interest is an integral part of a broader Yugoslav drive for full participation in the international economy.

For many years it has been normal to speak of Yugoslavia as an "underdeveloped nation," struggling to overcome its legacy of social, political and economic backwardness and to compete with the more advanced nations on

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¹⁰ Ed. note: Also called CEMA, or C.M.E.A.

Summing up his analysis of the present-day Hungary, Rumania and Bulgaria, this author finds that "The recrudescence of nationalism . . . means that each communist country in East Europe will likely concentrate on national economic growth and modernization. Given this priority, improved relations with Western countries assumes growing importance. . . ."

Balkan Kaleidoscope

By ALVIN Z. RUBINSTEIN

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HUNGARY, RUMANIA AND BULGARIA have a number of things in common: membership in the Soviet-dominated Warsaw Pact; geographical contiguity with the Soviet Union; rule by communist party elites. They also share a quest for national autonomy and self-assertion that has increasingly complicated their relations with the Soviet Union.

The trend in these countries toward national communism, which surfaced boldly during the Nikita Khrushchev era (1955-1964), has not diminished in the past few years. However, it is nationalism and national goals, and not communism and proletarian internationalism, that dominate the politics of the Balkan mosaic; it is history and historical antecedents, and not outworn, ideologically-drawn blueprints for the building of communist utopias, that condition present attitudes in these countries and weigh most in the formulation of their policies. Moscow's efforts to promote the economic integration of the communist camp through COMECON (the Council for Mutual Economic Assistance) have foundered on East Europe's remembrance of postwar Stalinism and ingrained suspicion of Great Russian expansionism. Preoccupied with the rising challenge from China, Soviet leaders have acquiesced in the resurgence of nationalism in East Europe and have adopted a "hands-off" policy; for the moment, they have ac-

cepted the right of each East European communist party to seek its own road to socialism—within certain limits.

East Europe is in flux: economic experimentation is endemic; trade ties are being expanded with the West; cultural exchanges of modest proportions are under way; and internal political relaxation of sorts is widespread. A glimpse at recent developments in Hungary, Rumania and Bulgaria may help to illumine the varying degrees of diversity, complexity, and ethnocentricity that characterize each and make generalizations about the region as a whole a hazardous undertaking.

HUNGARY

Ten years after the dramatic revolution of October-November, 1956, Hungary has reached the limits of internal liberalization tolerated within the Soviet camp. The economy is in trouble, the population is politically apathetic and the young generation is uninterested in ideology or in sacrificing for socialism. Under communism, industry has been nationalized, agriculture collectivized, the Catholic church weakened, cultural and educational institutions drained of much of their former creativity and dynamism.

In 1956, the Hungarians came tantalizingly close to regaining control of their own destiny. But, when the intense anti-Soviet sentiment erupted and developed into bitter anti-

communism as well, Moscow intervened with force to preserve the integrity of its military security system in East Europe. For the past decade, the Soviet Union has permitted Hungary a substantial measure of domestic autonomy and a substantial improvement in internal affairs has taken place. Under the leadership of Janos Kadar since 1956, the country has experienced an end to harsh repression and arbitrary rule by the secret police, and until recently, the standard of living has risen modestly but steadily. However, the signposts for the future are now less clear. On one hand, there are some indications of a return to greater centralization and less promise for personal well-being; on the other, the regime has announced its intention to introduce extensive managerial reforms in 1968 in order to encourage efficiency and to raise production in many industries.

Possessed of rich farming land—ample under different circumstances to provide well for the population—Hungary's collectivized agriculture is functioning far below its potential. Despite the introduction several years ago of a complicated and extensive system of material incentives, and despite repeated appeals to the farmers to produce more, it is a continuing problem for the regime. The story is told of a reporter who tours the countryside to interview the farmers about the coming harvest. "How is your crop this year?" asks the reporter. "Worse than last year's, but better than next year's," answers the farmer.

Hungarians see little benefit in their "fraternal" ties with the Soviet Union. They know that Moscow milked Hungary dry for many years and they see in their country's heavy reliance upon trade with the socialist camp a continuation of this economic imperialism, though under less blatantly exploitative conditions. As a member of the Soviet bloc and the Soviet-organized COMECON—Moscow's attempt to create a rival to the flourishing Common Market of West Europe—Hungary and the other six communist countries are supposed to integrate their economies and promote the development of the entire group, through specialization of

labor and closer cooperation. In derision of this entire arrangement, the Hungarians tell the following: it seems that the COMECON countries wanted a common emblem to signify their unity and fraternity. Accordingly, they adopted a flag with a red field in which there were seven lean cows milking one another.

A traditional institution that the regime has been unable to destroy is the Catholic Church. Though subject to restrictions and innumerable irritations, many churches, including all the main cathedrals, are open and functioning. Stripped of its wealth and without visible sources of influence, the church quite clearly continues to retain the loyalty of a sizable proportion of the population. The Communist Party, in the interest of popular acceptance, must suffer the coexistence of communism and catholicism, while permitting other religious denominations to function as well.

The political system in Hungary is communist, but the manner of rule today is shaped in important ways by nationalism and national traditions. These powerful forces act as a constant restraint upon the ability of communist leaders to impose, at will, their brand of stifling socialism. There are two facets to political life in Hungary. On the official level, relations between Budapest and Moscow are close and friendly: Hungary is wedded to the Soviet camp, militarily through the Warsaw Pact, economically through COMECON and extensive bilateral arrangements, and culturally through formal exchange programs. However, on the unofficial day-to-day level, anti-Soviet sentiment is bitter. In conversations with foreigners, Hungarians will go out of their way to find a common language other than Russian for communication, even though they both know the language. Further, although Russian is the required first language in all primary and high schools, Hungarians say proudly that no one would use it, except at the official level.

Janos Kadar, the head of the Hungarian Communist Party, came to power under the worst possible circumstances. He was installed by Soviet authorities after the brutal

suppression of the 1956 revolution (in Hungary, the government refers to this event as the counterrevolution). Furthermore, although Kadar had, for a brief time, sided with the liberal faction in the party which was trying to depose Matyas Rakosi, the Stalinist boss, he had adeptly shifted to Moscow's side when he saw that the revolution was taking an anticommunist, as well as an anti-Soviet, turn. That Kadar has managed during the past decade to gain a grudging measure of acceptance in the country is a reflection of the widespread feeling that he has done the best he could under the circumstances and that he is probably better than any of the prospective heir-apparents. At the ninth congress of the Hungarian Socialist Workers' (Communist) Party in December, 1966, Kadar demonstrated that, notwithstanding the opposition of "factions" which seek a restoration of tighter party control and more centralized direction of the economy, he still holds the reins of organizational power and intends to push economic reform.

Until a year or so ago, most Hungarians were moderately optimistic: as mentioned before, the standard of living had been improving slowly but steadily; with the decision to attract foreign tourists (in order to earn hard currency), the regime simultaneously lowered the bars to travel abroad and permitted increasingly large numbers of the "new class" and loyal intellectuals and artists to vacation abroad; the arts had experienced a revival and cultural life began to demonstrate some of the vitality usually associated with Hungary, while Western plays, writings and art began to dot the cultural landscape.

However, the situation is changing and Hungarians are frankly disturbed. They sense a return to the former, more confining brand of communism in the sharp increase in prices that was suddenly imposed early in 1966, in the accompanying reduction in wages, in the growing difficulties in obtaining a passport to travel abroad and in the undisguised intolerance of criticism.

It is difficult to ascertain the reasons for the current tightening by the party of political, economic and cultural controls. Perhaps

economic difficulties have persuaded the leadership that efforts to stimulate production and efficiency through a combination of modest decentralization, wage incentives, and flexibility for plant managers are by themselves not enough; unwilling to extend further the area of decentralization or individual initiative for fear of weakening the party's hold on the society, the leadership is perhaps contemplating a return to a greater degree of centralism as a way out of present economic difficulties. Clearly, a reliable recipe for "Goulash Communism"—a commendation made by Khrushchev during a visit to Hungary several years ago—continues to elude communist leaders.

RUMANIA

Rumania is remarkable for the way in which it has eliminated obvious and oppressive Soviet domination. Unspectacularly and steadily, the "desovietization" process has been accomplished by peaceful means. The result is a measure of internal independence from Moscow that is not exceeded by any of the other East European countries—witness Rumania's unilateral decision to establish full diplomatic relations with West Germany in January of 1967.

Once a compliant and exploited satellite, Rumania first sought release from Soviet control in the economic realm. In 1962, it refused to accept the role of "a hewer of wood and a bearer of oil," to provide the raw materials for the socialist camp while itself remaining little industrialized. At the COMECON meeting of that year it objected to Moscow's proposed international socialist division of labor for the countries of East Europe and embarked on its own program of industrialization. Preoccupied with Peking and unwilling to intervene openly with force, Moscow reluctantly accepted Rumanian economic nationalism.

Since that time, Rumania's shrewd Communist Party leadership has adopted a delicately balanced position of impartiality in the Sino-Soviet rift, while remaining a member of the Warsaw Pact (Moscow's version of NATO). The Rumanian position is clear:

it contends that all intra-bloc disputes can be settled amicably by the "fraternal" communist parties and upholds the principle of noninterference in the internal affairs of other communist parties. Though Moscow is not happy over Rumania's sitting on the fence, it is prepared to accept such a posture for the time being.

The Rumanian leadership has adroitly carried desovietization into other areas as well, occasionally to an extent that seems calculated to discomfort the Russians. For example, to demonstrate its impartiality it requires that all diplomats—Western and Soviet—desiring to see Rumanian officials and citizens obtain the approval of the ministry of foreign affairs. Moscow has grudgingly accepted this embarrassing formality. Travel restrictions are placed on United States and Soviet diplomats in Bucharest in response to similar limitations placed on Rumanian personnel in Washington and Moscow.

The emphasis on Rumanian nationalism takes many forms. In 1963, the Russian language was dropped as a compulsory language in the primary and high schools. The language is being "Romanized": i.e., the Slavic words are systematically being replaced. The schools now stress Rumanian history, culture and traditions. There is hardly a street in Bucharest that bears a Russian name. Of particular irritation to the Soviet Union have been Rumania's bold allusions to Joseph Stalin's "unfraternal" annexation of Bessarabia and Northern Bucovina in 1940 and his insistence that the Rumanian Communist Party accept the legitimacy of this bit of Soviet imperialism. In their veiled dispute with Moscow the Rumanians have used Karl Marx against the Soviets. In early 1965, they published a collection of essays by Marx on Bessarabia which upheld Rumania's claims to the region. Exploitation of this issue by Bucharest serves two purposes: to reinforce Rumanian nationalist sentiment and to keep Moscow on the defensive, thereby increasing the likelihood of Soviet concessions in other areas.

For all of this Romanization, Rumania remains a highly centralized, tightly controlled

and managed police state. Under the former leadership of Gheorghe Gheorghiu-Dej, who died in March, 1965, the Rumanian Communist Party silently and efficiently eliminated pro-Moscow communists and replaced them with more loyal cadres. The current party boss, Nicolae Ceausescu, is young and colorless, but able. Hand-picked by Gheorghiu-Dej, he has given every sign of maintaining his personal grip on the party apparatus. His men are quietly assuming key positions throughout the economy and party.

That Ceausescu is in firm control seems clear. During the state visits of Yugoslav President Tito in April and December, 1966, it was Ceausescu who did most of the officiating. There is little evidence of any reliance on the "cult of Gheorghiu-Dej" to legitimize his position, a further indication of his grip on the party. Furthermore, Ceausescu seems determined to continue Rumania's neutrality in the Sino-Soviet dispute. Rumania remains the only one of the East European countries that does not publicly criticize the Chinese.

A measure of Chinese respect for Rumania's position was evident during Tito's April visit; Chinese diplomats attended all official receptions for the Yugoslav president, notwithstanding China's bitter, anti-Titoist views. Two months later, Premier Chou En-lai visited Rumania and repeatedly cited Rumania as a model for all communist nations to follow.

Ceausescu is slowly bringing his supporters into key governmental as well as party posts. Regional party organizations are being strengthened and given increasing responsibilities for management of the economy. Economically, the emphasis is on industrialization, with 80 per cent of all investment in this sector directed into heavy industry. More than 60 per cent of the total volume of investment is now planned for industrial expansion and modernization. Only 10 per cent will go into agriculture, which remains very much the stepchild of the regime and is stringently, often inefficiently, run.

Foreign trade has been reoriented so that trade with the Soviet bloc has dropped from 80 per cent in 1962 to 65 per cent in 1965.

During the 1962-1965 period, Rumania purchased more than \$400 million worth of capital goods from France, West Germany and Italy, who are investing heavily in Rumanian industries. Ironically, Rumania, which is in the forefront of the East European countries seeking to attract Western capital, is the most reluctant to experiment with capitalist-type incentives in industry and agriculture.

Rumania remains tightly-controlled, highly centralized, and xenophobically secretive. The regime is ruthlessly authoritarian, but the brutality and arbitrariness of previous years have largely disappeared. It is intent on rapid modernization and on maximizing its autonomy within the Soviet bloc. Nationalism is the pivot and the energizer with which the leadership hopes to shape a viable state.

BULGARIA

Bulgaria is the least known of the East European countries. Long an isolated and subservient Soviet satellite, it is moving slowly to expand economic relations with the West. The economic motive has led the regime to encourage tourism, with the result that there has also been some relaxation of internal controls.

Although tourism is becoming a major source of hard currency, tourists are still regarded with suspicion. Last year more than a million visitors—about 60 per cent from the West—went to Bulgaria; this year a million and a half are expected. But most of them arrive in groups, are shepherded in organized tours and quartered in hotels where little contact with the local population is likely. They concentrate in the capital and in the luxury hotels along the Bulgarian "Riviera" of Varna, on the Black Sea. In general, Bulgarians are discouraged from close contact with foreigners, but it is reasonable to expect that some of the bars will be lowered as more tourists travel throughout the country.

The regime seeks to immunize against Western influences by collateral methods: for example, the only Western newspapers and magazines that are sold are communist ones;

there are few Western books (in translation) on sale; and these include, conspicuously displayed, several on racial discrimination in the southern United States. Few Western students (a handful) are currently studying in the country and cultural contacts are still relatively unimpressive.

Despite the economic progress made by Bulgaria in the past few years, the standard of living for the bulk of Bulgarians remains pitifully low. There are ample quantities of food and consumer goods, but everything is very expensive and the quality is generally poor.

In a major speech on December 8, 1965, Todor Zhivkov, the Communist Party boss and premier, promised substantial salary increases (all wages are fixed by the state) in 1966 and 1967. He admitted that current wage levels were low. Teachers with 10 years experience earn 75 lev, or \$37, a month (the official rate of exchange is 2 lev to a dollar); pharmacists and technicians receive 75 lev; doctors (who are permitted to engage in some private practice on the side) receive 105 a month; while the average unskilled and semi-skilled worker earns only 47. When one considers that a woman's blouse or slip of average quality costs 18 lev, a pair of shoes 15 lev, and a washing machine 350 to 400 lev, it becomes apparent that consumer items are almost beyond the reach of the average family. It is usual for all adult members of a family to work. Domestic help, when available, is restricted to resident diplomatic personnel and high party and government officials. Food generally takes about 40 to 50 per cent of the average family's income.

Much of the economic development is the result of long-term Soviet loans. In 1964, the Soviet Union agreed to provide Bulgaria with \$500 million in credits during the 1966-1970 period. Overall, Bulgaria is indebted to the U.S.S.R. in the amount of approximately \$1.5 billion, a factor which makes unlikely any independent Bulgarian initiatives in the years ahead. More than 50 per cent of Bulgaria's foreign trade is with the Soviet Union; and about 75 to 80 per cent is with the Soviet bloc countries.

Bulgaria's industrialization has been due largely to Soviet assistance. Bulgarian technology is primarily Soviet in origin. Most of the trucks and automobiles, and all of the military equipment, are Soviet and Czechoslovakian. Bulgaria's pride and joy is the steel complex of Kremikovtsi, built with Soviet credits. A petro-chemical complex and fertilizer plants are also under construction. Though oil and gas deposits have recently been discovered, Bulgaria's economy remains heavily agricultural in character and this sector accounts for 80 per cent of all exports. However, Bulgaria has recently shown considerable interest in developing more trade with Western countries and one of the purposes of Premier Zhivkov's visit to France in October, 1966, was the cultivation of expanded trade.

Twenty years under communism has produced a generation in which there are young people but no "youth." This new generation has absorbed some of the mannerisms and trappings of its counterpart in the West (anything Western is considered superior, whether it be music, a raincoat, or a ball point pen), but it lacks its Western counterpart's critical vitality and emotional strivings. Much to the concern of the leadership, the younger generation is politically apathetic and economically unmotivated (since wages are fixed and low, with the premium placed on conformity, not creativity). There is virtually no criticism of the regime—satirical or otherwise. The contrast with neighboring Yugoslavia, where social and cultural criticism has reached an impressive level of candor, is startling. There is keen competition for admission to the university not for any particular economic reasons but because of the enhanced social status that comes with membership in the "intelligentsia."

For the regime the youth are a definite problem. But as yet the leadership has shown little understanding of the roots of the malaise, which may be described as a kind of "inner migration." It does know, however, that the future development of the society depends on a degree of commitment and co-operation that is nowhere in view.

Bulgaria is ruled, as it has been since 1945, by a subservient, Soviet-dominated Communist Party. Since 1954, the party has been controlled and headed by Todor Zhivkov, whose dependence on Moscow's support was never more apparent than in April, 1965, during an attempted coup by a number of high-ranking military leaders.

Little is known of the events of April, 1965. Rumors of an attempted military coup apparently spread several days before the regime made its public announcement, in which nine military men were listed among the conspirators. There are different views concerning the significance of this attempted takeover. The official Bulgarian position is that the attempt was the work of a few disgruntled "adventurers and power-seekers" in the lower levels of government, men with no following who sought to introduce a pro-Peking orientation. Party leader Zhivkov has repeatedly dismissed the conspirators as a group of "adventurists."

A second view toys with the possibility that the men, most of whom shared a common partisan background during World War II, were motivated by a desire not only to get rid of Zhivkov but also to gain for Bulgaria a greater degree of autonomy from the Soviet Union, such as has been attained by Rumania and Hungary in recent years. Some nationalist feeling may have impelled these men to act as they did. Most observers try to find a synthesis of these views, not fully believing the latter, nor uncritically dismissing the former. The trials in June, 1965, were closed to the public and it is unlikely that any complete account will be published by the government.

That Zhivkov handled the affair clumsily seems apparent. That Bulgaria is self-conscious about being called the last Stalin-type satellite in East Europe seems also evident. The thread linking both these elements is the Soviet "presence" in Bulgaria. From all indications the first warnings of the plot came from the Soviet security apparatus in Sofia. In the weeks after the events, Todor Zhivkov was invariably accompanied on his public visits by the Soviet ambassador, who was in

private dubbed as the "Governor-General."

In addition to the preeminent political influence of the Soviet Union, there is Bulgaria's economic dependence upon Soviet economic assistance and foreign trade. Other signs of Soviet influence are easy to see: the book stores are dominated by Soviet publications; slogans and signs lauding Soviet achievements are very much in evidence as one walks through the streets; and the speeches of Zhivkov and other party officials always stress the immutable and intimate relationship between Bulgaria and the Soviet Union. Mention should also be made of the white and yellow marble mausoleum—a smaller version of the red and black one for Lenin in Moscow—in which is displayed the embalmed body of Georgi Dimitrov, the father of Bulgarian communism. Bulgaria, the country closest to the Soviet Union in terms of language, religion and culture, is the only one to copy this touch of communist deification.

Bulgaria has also stood closest to the U.S.S.R. in its dispute with Peking. At the ninth congress of the Bulgarian Communist Party in November, 1966, Zhivkov—alone among the East European Communist leaders—urged the convening of a world conference of communist parties, ostensibly to restore unity to the ranks of international communism but in actuality to isolate and perhaps expel the Chinese from the world movement. Only Moscow applauded Zhivkov's "initiative," which may indicate that it was responsible for his having raised the issue.

A large measure of this dependence is inevitable, given the geography of Bulgaria, its historical, religious, and cultural ties to Czarist Russia and the Russian people, and the logic of economic and military dependence. But beyond these understandable grounds for close relations, there is the nagging, although as yet publicly unexpressed, dismay at too long a period of slavish subservience.

Bulgaria is perhaps the most "Stalinist" of all the East European countries. Its political leadership has been most reluctant to loosen very much the economic and cultural controls that blanket the country. Alone among the

leaders of the Soviet bloc, Todor Zhivkov has retained the top posts in both the party and the government, though there have been reports periodically—most recently in November, 1966—of his intention to resign as premier. His picture alone is prominent in public establishments. The Soviet injunctions against "the cult of personality" have not yet affected Bulgarian politics.

As a result of the attempted coup, the party has made some changes in the organization of the secret police. In July, 1965, the ministry of internal affairs was split into the ministry of internal affairs and the committee for state security, the latter being placed directly under the control of the council of ministers of the government. Conspicuous attention has been devoted to the army and in his speeches Zhivkov often comments on the "complete loyalty of the army." Though our information is meager, we can assume that a struggle for power is under way and that in the future Bulgaria will figure more frequently in the news from East Europe.

If Nicolae Ceausescu, the Rumanian Communist Party leader, typifies the new generation of leaders emerging in East Europe, then national priorities may be expected to loom increasingly important in the years ahead. None of the Ceausescu-breed of communist has been trained in Moscow nor inculcated with an a priori loyalty to the Soviet Union. To retain power, the national communists in East Europe require a loyal and nationalist party apparatus and a measure of popular

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"How has Enver Hoxha's regime been able to survive . . . ?" Raising the question, this author points out that "The regime has survived chiefly because its leader has been able to combine Stalinism with a number of other political ingredients. . . ."

Albania and China: The Incongruous Alliance

By ANTON LOGORECI
Specialist on Albanian Affairs

MORE THAN FIVE YEARS have passed since Soviet Premier Nikita Khrushchev broke off diplomatic relations between Russia and Albania. When this final step was taken, the Albanian communist regime was left with hardly a friend in Europe.¹ Although the other communist countries of East Europe did not follow Russia's lead with a rupture of diplomatic relations, they withdrew their ambassadors from Tirana and reduced their ties with Albania to a bare minimum. But some of the heaviest blows had come a few months earlier, when precious Soviet and East European economic, technical and military aid had been stopped. Enver Hoxha, the first secretary of the Albanian Workers' (Communist) Party, admitted at the fifth party congress in November, 1966, that the years after the break with the U.S.S.R. had been the most difficult that the Albanian people had faced since World War II.² Albania was excluded from the Warsaw Pact Organization as well as from CEMA (Council for Mutual Economic Assistance), its economic counterpart. This was not official; after the end of 1961, Albania's representatives were

simply not invited to attend the periodic meetings of the two bodies.

Khrushchev's decision to excommunicate the Albanian regime and end diplomatic relations between the Soviet Union and Albania signalled the beginning of a virulent and bizarre propaganda war against the Soviet Union on the part of Albania's communist leaders. In the early stages of this war of words, conducted by radio, press and public speeches, the Albanians expressed their own pent-up resentment, both ideological and national, against Khrushchev and his associates. Merging with the larger and more serious dispute between Russia and China, the Albanian propaganda campaign became a vehicle of Chinese views as well, at a time when the Chinese leaders themselves were not prepared to attack the Soviet Union directly.

While Khrushchev was in power, the media of Soviet propaganda took up the Albanian challenge and counterattacked on numerous occasions. After his removal from office in October, 1964, however, the new Soviet leadership decided to stop public polemics with the Chinese and Albanian communists, presumably hoping for some sort of understanding with them. But the Albanian leadership (as well as the Chinese) took no notice of this change in tactics and continued to attack Khrushchev's successors, whom they

¹ For a comprehensive and scholarly account of the Soviet-Albanian quarrel see William E. Griffith, *Albania & The Sino-Soviet Rift* (Cambridge: M.I.T. Press, 1963).

² *Zeri i Popullit* (The Voice of the People), November 2, 1966.

accused of being just as "revisionist" as the former Soviet leader.

The new Soviet approach to Albania became clearer at the beginning of 1965, when the Polish government invited Albania to take part in the meeting of the political consultative committee of the Warsaw Treaty Organization on January 19 to discuss the NATO proposal for setting up a Multilateral Nuclear Force. The invitation was declined. In its reply,³ the Albanian government set down a number of conditions which had to be fulfilled before it could take part in any meetings of the Warsaw Pact Organization. First of all, the Soviet Union would have to condemn all "illegal and hostile acts" it had committed against Albania. It would have to return all the military equipment it had removed from the country, and make good the losses suffered by the Albanian economy as a result of Moscow's decision to cancel all aid agreements. Russia would also have to restore diplomatic relations with Albania.

The Albanian government maintained that it had in its possession documents which proved that the Soviet leaders had plotted to overthrow its communist regime, working with Yugoslavia, Greece and the United States, as well as with Soviet agents inside Albania. This accusation has become one of the stock arguments in Albania's endless indiscriminate propaganda against both "revisionists" and "imperialists." This argument has also been used internally to shore up the position of the regime, shaken by several abrupt shifts in policy.

A year later, Poland made another attempt to persuade Albania to attend a meeting of the European and Asian communist countries to discuss the coordination of aid to North Vietnam and to the National Liberation Front of South Vietnam. Albania replied in effect that it would not attend any meeting in which the present "Khrushchevite" Soviet leaders took part.⁴ These unsuccessful Polish approaches to Albania had obviously been inspired by Moscow. In

March, 1966, the Soviet government itself made a direct approach to Albania on the restoration of trade relations between the two countries. But apparently Albania failed to reply.⁵

INVOLVEMENT WITH CHINA

Even if one assumes that the Albanian leaders were willing to take steps to abate their hostility to the Soviet Union, it is very likely that they would have been blocked by their Chinese allies. For Albania's ideological, political and economic involvement with China is both deep and of long standing. Khrushchev stated in his report to the 22d congress of the Soviet Communist Party that the opposition of the Albanian communists to Russian policies had become manifest in the middle of 1960.⁶ He was presumably referring to the first open clash between himself and the Chinese at the Bucharest conference held in June of that year, when the Albanian delegation supported China. The foundations of the strange friendship between China and Albania had been laid a few years earlier. The first visit of Nikita Khrushchev and Premier Nikolai Bulganin to Yugoslavia in May, 1955, for the purpose of bringing about a reconciliation with Yugoslav President Tito marked a turning point in the history of Albanian communism. After the visit, Soviet demands to Tirana became more and more insistent. The Albanian regime was asked to do everything in its power to alter the policy of hostility it had pursued towards Yugoslavia since 1948 and to establish normal relations with that country; pro-Yugoslav elements who had been purged were to be rehabilitated; Albania was also asked to fall in line with the other countries of East Europe by setting in motion a process of gradual relaxation in home affairs.

These and similar demands by a Khrushchev hell-bent on change and reform alarmed the Albanian leaders. They maintained that the security of their own regime as well as Albania's national interests were being used as pawns in the game of Soviet foreign policy. Although it is likely that Albania's leaders were much more concerned with their own

³ *Zeri i Popullit*, February 2, 1965.

⁴ Albanian Telegraph Agency, February 13, 1966.

⁵ Radio Moscow in Albanian, November 8, 1966.

⁶ *Pravda*, October 18, 1961.

position than with long-term national interests, they made a determined effort in their propaganda to show that the stability of the communist regime and the country's national interests were one and the same. A number of important developments, such as Khrushchev's denunciation of Stalin at the 20th congress of the Soviet Communist Party, dramatic political changes in Poland and the Hungarian revolution of 1956, finally convinced the Albanian communists that they could not yield to Khrushchev's demands.

Nevertheless, their position was a highly dangerous one: their immediate neighbors (Yugoslavia and Greece) were unfriendly; the Western countries were indifferent if not hostile; they could no longer be sure of continued support and help from their communist allies in Europe so long as Khrushchev was in power. These fears seem to have driven them to establish their first contacts with China. The exchange of official visits between Peking and Tirana became fairly frequent during 1958 and 1959. Within a year or so after the Hungarian revolution, Chinese propaganda media were praising the Albanian communists for their "brave" stand against Yugoslav "revisionism," and giving a good deal of publicity to the Albanian leaders' speeches and newspaper articles. Certain recognizable Chinese influences began to appear in Albanian affairs. For instance, in 1958, the year of the "great leap forward" in China, there was a sharp rise in the number of Albanian collective farms; in the same year it was decided that Albanian government and party officials had to do 40 days of manual labor every year.

The fourth congress of the Albanian Communist Party in February, 1961, clearly revealed how close to China the country had moved.⁷ Although the Albanian leaders paid a good deal of lip-service in their speeches to friendship with the Soviet Union and to communist unity in general, they gave full support to the fairly well-known Chinese views on communist ideology and foreign

policy. Khrushchev's name was not mentioned, although Stalin was quoted on numerous occasions. The party congress also provided the first public dress rehearsal of the subsequent ideological and political clashes between the Soviet Union and China.

CHINESE AID

Without any public announcement, the Soviet Union and its European allies had begun some months earlier to withdraw their economic and technical aid to Albania. Thus the third five-year plan (1961-1965) which was approved by the party congress was in danger of becoming a dead letter. That same month, in February, 1961, the Chinese decided to come to the country's rescue with a promise to grant the Albanian regime a \$125-million loan to be used for building and equipping 25 chemical, electrical and metallurgical plants. A number of other economic agreements have been concluded between the two countries since 1961 but in none of them has any concrete figure of Chinese aid been given. That there has been a fairly wide gap between Chinese promise and Chinese fulfilment was indicated by the Albanian prime minister, Mehmet Shehu, when he admitted at the fifth party congress (November, 1966) that work on the 25 new industrial enterprises had been delayed by nearly three years.⁸ The subject of aid has in fact been under almost continuous discussion between the two allies. Chou En-lai, the Chinese prime minister, has visited Albania twice during the last three years. Spiro Koleka, chairman of the Albanian planning commission, went to Peking in April, 1965, accompanied by a large delegation of economic and technical experts. At the end of the talks, which lasted several weeks, no information was forthcoming beyond the bare statement that the Chinese had agreed to provide Albania with all the economic aid it required. Still another opportunity for discussing economic, as well as political and ideological, questions was offered by Mehmet Shehu's trip to China in April, 1966.

Perhaps the most revealing light on the extent of Chinese economic aid was shed

⁷ See my article, "Albania: a Chinese Satellite in the Making?" *The World Today*, May, 1961.

⁸ *Zeri i Popullit*, November 6, 1966.

during the proceedings of the fifth congress of the Albanian Communist Party. Albania's two leaders, Hoxha and Shehu, took great pains to make it clear that the country's future industrial and agricultural development would have to depend on its own resources and efforts. Shehu actually stressed the fact that foreign aid would be a factor of secondary importance in the new Albanian five-year plan. He thanked the Chinese for their valuable, unspecified aid, and went on to assure them that it would be used for strictly productive purposes—a hint that the Chinese may have complained about the misuse of their precious assistance in the past. Another indication that China does not plan to give Albania any very substantial help in machinery and technical equipment is the fact that agriculture rather than industry will have priority during 1966–1970.⁹

By the end of 1962, China and the Soviet Union had given up pretending that their quarrel was about Albania and Yugoslavia; still, Albania's usefulness to the Chinese was by no means exhausted. That this was so was largely due to the fact that the capacity of the Albanian communists to work themselves into a permanent state of anti-Soviet frenzy was pretty well inexhaustible. Albanian leaders and the Albanian propaganda media were always ready to express anti-Russian (and anti-revisionist) views on every conceivable issue much more bluntly and offensively than their Chinese counterparts.

VOCIFEROUS ALLY

China appears to find this endless stream of "revolutionary fervor" flowing from Tirana also very useful in its own propaganda efforts, both internal and external. Albanian speeches and articles are constantly reprinted by the Chinese press and broadcast by the Chinese radio. How many Chinese are in a position to know the actual size and population of their remote European ally? Presumably very few; it is therefore reasonable to assume that millions of Chinese are being deliberately led to believe that their own gov-

ernment has managed to secure the allegiance of an influential non-Asian Communist regime in its bitter quarrel with the Soviet Union. This misleading picture is also being implanted in the minds of other Asians and Africans by Chinese radio broadcasts directed to Asia and Africa. In a way, the more friends and allies China has lost during the last few years both within the communist movement and outside it, as a result of its aggressive policy or its clumsy diplomacy, the more pathetically it has clung to its vociferously loyal Albanian allies.

On the other hand, in its perilous isolation the Albanian regime has derived infinitely greater benefits from its ties with Peking than has China. Apart from depending entirely on China for economic assistance, however inadequate, Enver Hoxha and his associates have relied on the Chinese leaders for the ideological and moral (especially the former) support that they lost when they were expelled from the Soviet bloc. When this happened, they were in danger of forfeiting the right to call themselves communists at all, hence in grave danger of forfeiting any claim to the loyalty of the younger Albanian communists.

The Chinese have come to their rescue in a number of ways. Pro-Chinese communist factions and splinter groups throughout the world have been asked to rally to Albania on every possible occasion. These bodies, most of them of little political significance, were represented in force at the last Albanian party congress. Chinese and Albanian delegations of every description have been traveling back and forth continuously between Peking and Tirana. Another important ideological service is rendered by means of messages of extravagant oriental praise which the Chinese leaders send their Albanian opposites from time to time. The chief purpose of these messages is to assure the rank and file of the Albanian Communist Party that, far from being narrow-minded dogmatists and nationalists (as their opponents would have it), the Albanian leaders are among the greatest revolutionaries of the communist world. One such message was addressed by Chinese

⁹ Shehu's speech at fifth party congress, *Zeri i Popullit*, November 6, 1966.

Chairman Mao Tse-tung to the fifth congress of the Albanian Communist Party. The Chinese leader said *inter alia*:

The glorious Albanian Workers' Party headed by Comrade Enver Hoxha is firmly holding aloft the revolutionary Red banner of Marxism-Leninism while encircled ring upon ring by the imperialists and the modern revisionists. Heroic People's Albania has become a great beacon of socialism in Europe.

The revisionist leading clique of the Soviet Union, the Tito clique of Yugoslavia and all the other cliques of renegades and scabs of various shades are mere dust heaps in comparison, while you, a lofty mountain, tower to the skies. They are flunkies and accomplices of imperialism before which they prostrate themselves, while you are dauntless proletarian revolutionaries who dare to fight imperialism and its lackeys, fight the world's tyrannical enemies.¹⁰

Mao's message went down extremely well in Tirana; several speakers at the party congress called it an important historic event.

Chinese influence in Albania's internal affairs has been fairly pervasive, though it is significant that the Albanian communists have done their best to camouflage it. They seem to have taken this precaution to avoid being accused by their own people of acting like China's satellites, having been underlings first of Yugoslavia, then of Russia. During the last two or three years, the Albanian regime has also had to cope with a growing demand from the younger generation for political and economic reforms as well as for more cultural freedom. Its response has been two-fold. In the first place, steps have been taken to tighten ideological control still further. Control has been accompanied by a propaganda campaign against "bourgeois" and "revisionist" influences. Writers, office workers and schoolchildren in great numbers have been sent out to work in fields and factories.

Secondly, during the past year or so, great efforts have been made to reorganize the administrative machinery of the government and the Communist Party. Bureaucratic

methods have been under attack; officials have been urged to win the confidence and support of the people, instead of ordering them about as has often been the case in the past. In all these measures one detects certain populist overtones as well as strands of Mao Tse-tung's voluntarist ideas.¹¹ In fact, it looks as if the Albanian leaders are in the midst of a "cultural revolution" of their own which, unlike the one in China, is under strict control.

China's "cultural revolution" and its Red Guard movement have caused the Albanian communists a good deal of trouble. During the summer of 1966, the tremendous developments in China were reported very briefly in the Albanian press. No attempt was made to analyze the political motives behind these events. But by the beginning of 1967 Albania was almost forced to come to terms with the Chinese upheaval: the Albanian minister of defence, Beqir Balluku, and two party leaders, Hysni Kapo and Behar Shtylla, were invited to visit China. During their stay, they made a number of public statements in which they strongly supported Mao's faction in the power struggle.

In any discussion of Albanian communism sooner or later one has to attempt to find an answer to this question: How has Enver Hoxha's regime been able to survive its many serious crises and acute political and economic problems? The usual answer is that it has relied on ruthless Stalinist methods. This explanation is only partially true. The regime has survived chiefly because its leader has been able to combine Stalinism with a number of other political ingredients: the bruised and frustrated nationalism of his

(Continued on page 245)

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¹⁰ New China News Agency, November 3, 1966.
¹¹ See S. Schram, *Mao Tse-tung* (London: Penguin Books, 1966), pp. 277, 294, 296.

Reviewing events in East Germany, this specialist raises the question: "With growing prosperity, what new paths will the generation of 1920 follow?" As he sees it, "a new generation of communist technicians may join or fight the inevitable appearance of communist patriots."

Men and Politics in East Germany

By HANS A. SCHMITT
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THE SLENDER waist of the German Democratic Republic measures barely 125 miles from the intra-German line of demarcation to its eastern boundary with Poland formed by the rivers Oder and Neisse. Its territory equals almost exactly the state of Ohio. A perusal of the area's population statistics reveals that it is probably the only political jurisdiction in Europe the number of whose inhabitants has declined since 1946.¹ The annual head count of 1964 revealed a minus of 1.5 million and indicated, furthermore, that even the building of the wall in 1961 had not reversed that trend. (See Table I.)

Table I: Population of the G.D.R.
(in thousands)

1946	18,629
1947	19,102
1961	17,079
1963	17,181
1964	17,012

This simple and spectacular fact means little once it is viewed in a wider statistical perspective. For example, the German Democratic Republic, though poor in natural resources, inherited a number of large industrial complexes, notably around Berlin and

Merseburg, and in the Dresden, Leipzig and Chemnitz (now Karl Marx Stadt) triangle, together with the established textile and business machine manufactures of Thuringia. An impressive 22 per cent of its population lives in cities of more than 100,000 population. These cities, obviously major centers of production which constitute the economic base of this struggling rump state, have often grown rather than decreased in population since the end of World War II. (See Table II.)

Table II: Population change in major cities
of the G.D.R. (in thousands)

City	1950	1964
East Berlin	1,189	1,071
Leipzig	617	595
Dresden	494	504
Chemnitz	293	294
Halle	289	274
Magdeburg	260	265
Erfurt	188	190
Rostock	133	179
Zwickau	138	129
Potsdam	118	110
Gera	98	107
Total	3,719	3,612

Figures on the size of the East German labor force likewise tell a story somewhat at variance with the general population trend.

¹ For these and subsequent figures, see *Statistisches Jahrbuch der Deutschen Demokratischen Republik* (Berlin: 1965).

While the labor force is some 150,000 smaller than the number of those gainfully employed in the maximal year of 1959, it is still more than half a million above the 1949 figure. (See Table III.)

Table III: Size of the labor force of the G.D.R. (in thousands)

1949	7,040
1957	7,810
1959	7,820
1960	7,739
1961	7,787
1962	7,786
1963	7,646
1964	7,658

In comparison with the other members of the East European bloc, the "first state of workers and peasants on German soil" claims spectacular achievements. Though relatively small (its area exceeds only that of Hungary and Albania) and though well behind Poland and Rumania in the size of its population, it is the largest East European producer of electric power, industrial machinery, automobiles, refrigerators and television sets; three million of the latter operate within its boundaries. After the Soviet Union, it is the largest economic power in the satellite empire, and Moscow imports "one-third of all machinery and equipment" from her German ally.²

If there are contradictions, plus or minus, in the quantitative record of life and work in the G.D.R., this means that this communist fragment of Germany, just like any other polity, is a compound of divergent elements: of tradition and revolution, stagnation and progress, failure and achievement.

One source of conflict in the German Democratic Republic is rooted in the past. Its significance may be speculative, but it is so much a part of a pattern in German history neglected even by sophisticated students that it deserves emphasis. An excellent recent

article on life in the G.D.R. stressed that its communist rulers have attempted to identify with the progressive features of the Prussian past, going so far as to claim that there has not only been a Hohenzollern or Bismarckian, but also a "red" Prussia.³ Seen in that light, Walter Ulbricht, the boss of party and government, claims to be both the steward par excellence of Marxism-Leninism and the heir of Prussia's great reformers of the nineteenth century who adopted the methods of the French Revolution to defeat its armies.

If one superimposes a territorial profile of the G.D.R. on a map of Germany of 1789 or 1870, one recognizes that Walter Ulbricht's Germany is in no sense identical with Prussia. It does not even encompass the old Electorate of Brandenburg, most of whose possessions are today part of Poland, while the original Duchy of Prussia, better known as East Prussia, is now partly under Polish and partly under Soviet control. East Germany's historical forerunners are far more diverse and complex. Apart from the *Altmark* and the old Brandenburg district, East Germany includes virtually intact three distinct historical entities: the Grand Duchies of Mecklenburg, the Kingdom of Saxony, and Thuringia, which before World War I was divided into a large number of small duchies and principalities.

DIFFERENT WORLDS

The social, political and economic traditions of Mecklenburg and Saxony represent veritably different worlds. Throughout the eighteenth and nineteenth century, agrarian Mecklenburg stubbornly held to a constitutional contract of pre-absolute times (1523), its late medieval estates representing land, not people, unaffected by the waves of liberal and democratic revolution which changed the face of politics everywhere else in Europe from Spain to Poland, and from Turkey to Sweden. This antiquated system did not die until 1918.

Saxony, on the other hand, boasted in Dresden the great center of the German baroque. Its other great metropolis, Leipzig, was the home of Johann Sebastian Bach, and

² Ilse Spittmann, "Soviet Union and DDR," *Survey*, No. 61 (October, 1966), pp. 175-175.

³ Welles Hagen, "New Perspectives behind the Wall," *Foreign Affairs*, October, 1966, pp. 138-139.

the birthplace of Richard Wagner. In eighteenth century Saxony, as in Prussia and Austria, the Enlightenment flourished. Leadership in commerce, culture and politics fell to an active, imaginative urban bourgeoisie—notably in Leipzig, the traditional center of German book publishing. While nineteenth century Mecklenburg lived in a calcified past, Saxony never gave way to the impulses of reaction that characterized the history of most of the rest of Germany. It followed a steady, liberal line. It grew industrially and economically, even in the suffocating shade of Prussian hegemony.

A CONTRADICTIONARY HERITAGE

The small territory of the German Democratic Republic, then, embraces a vast and contradictory historical heritage. Most of the traditional forms of either system, the extremely conservative and the persistently liberal, came to an end only in 1918, less than 50 years ago. The question should be asked: To what extent do these profound differences of less than three generations ago leave their marks on the men who rule today, many of whom were born before the great cleavage of war and defeat? Even a co-operative farmer or an employe on a state farm in the Schwerin district is the child of a world quite different from that of a German brought up in the shade of the restored baroque palaces of Dresden. Is there any good reason to assume that the last 20 years have created one single type of East German?

Certainly, time, war and technology are bound to have leveled the differences, as they have concatenated cultures everywhere along some twentieth century common denominators. Almost half of Mecklenburg's present population is drawn from the waves of refugees set in motion by the Russian advance in 1944–1945 and by subsequent expulsions from Pomerania, Silesia and East Prussia after the end of the war. In 1946, Schwerin, the former capital of the grand duchy, had a

population of 74,000, of which almost 40,000 (about 55 per cent) were refugees, while such Saxon industrial centers as Dresden and Chemnitz had an expellee population of less than three per cent.⁴

At the same time, it need not be accentuated that industrial society is constantly changing at unprecedented rates even in "normal" times. While Mecklenburg was being submerged by a wave of uninvited strangers, Saxony changed its face countless times in countless ways since the days when Johann Sebastian Bach played the organ and directed the choir at the Thomas Church in Leipzig. Finally, a decree of July 23, 1952, abolished the historical provinces as subdivisions of the G.D.R. and replaced them with 14 districts of approximately equal size. It follows from the foregoing that the relation of past to present in communist Germany is not an all-or-nothing problem, but a challenge to study change, irrespective of whether one approves or disapproves of any given stage in the process of evolution.

At the same time, the clouds that obscure a contemporary view of history and traditions lift when we consider the men who control the key areas in the life of the German Democratic Republic. Everyone has heard of the founding fathers: Wilhelm Pieck, Otto Grotewohl and Walter Ulbricht, pre-World War I socialists who opted for communism when the movement split over the issue of supporting or opposing the military effort of 1914–1918. Nonetheless, a study of the leaders of the G.D.R. should go further and deeper.

To keep such a survey within realistic limits one might examine the membership of the council of state (*Staatsrat*). After Wilhelm Pieck, the president of the German Democratic Republic, died on September 7, 1960, no successor was chosen. Instead a plural executive, composed of a chairman, six vice-chairmen, one secretary, and 16 members was elected by parliament—the people's chamber—to occupy the place of the departed patriarch. This raised the question: whether the council of ministers had been reduced to an administrative rather

⁴ Peter-Heinz Seraphim, *Die Heimatvertriebenen in der Sowjetzone* (Schriften des Vereins für Sozialpolitik, N.S. Vol. 7/1) (Berlin: 1954), pp. 185–188.

than a policy-making body. Here, as in the case of most totalitarian regimes of our day, reality is far too confused to allow clear parallels or lucid conclusions. The East German state council has party stalwarts, young activists, ideological innocents, officials of other parties, and one lonely ex-Nazi.

In the stalwart category one finds of course Walter Ulbricht, state council head and, apart from the secretary, Otto Gotsche, its only full-time member. Another stalwart pillar is Willi Stoph (1914-), now Ulbricht's successor as chairman of the council of ministers and past minister of the interior and of national defense. Then there is the less well-known key figure of Hans Rodenberg (1895-), a veteran of the soldiers' councils of 1919, who joined the Communist Party in 1926, lived in the Soviet Union from 1932 until 1948, and now directs film-making in the G.D.R. Another member of this inner circle is Friedrich Ebert (1894-), son of the first president of the Weimar Republic, who was a newspaper editor from 1919 to 1933, and a social democratic member of the *Reichstag* at the time Hitler came to power. Arrested and thrust into a concentration camp in 1933, he spent the 11 years after his release under continuous police surveillance and in various innocent pursuits, such as the management of a filling station, until the communists made him mayor of East Berlin in recognition of his acquiescence in the 1946 merger of the Communist and Social Democratic parties.

A striking feature of the leadership gathered in the state council is the relative youth of many of its members. Not all stalwarts are campaigners of the party wars during and after World War I. The political career of Günther Mittag (1926-) is completely identified with the Socialist Unity Party (S.E.D.), the real power front of the G.D.R., which he joined shortly after its founding in 1946. Since then, he has acquired a doctorate in economics, and in 1966 he succeeded planning chief Erich Apel, who committed suicide in December, 1965. Other members of Mittag's generation include Horst Schumann (1924-), an official

of the Free German Youth, son of a Communist Party official executed by the Nazis, and Helmut Poppe (1926-), who returned from a Soviet prisoner-of-war camp in 1948, joined the People's Police, attended a Soviet military academy in 1952, and became military commander of East Berlin when the Soviet occupation headquarters was nominally dissolved in 1962.

Poppe also represents on the council a category of political "innocents" who have known nothing except the communist world in which they have succeeded so well, or who, being of humble birth, have never had the opportunity to rise to positions of consequence. Among the most extraordinary of these is Brunhilde Hanke (1930-), originally destined for the drab life of a seamstress. Fifteen years old when World War II ended, she joined the Free German Youth and the S.E.D., and displayed such zeal and devotion to her new masters that she was made mayor of Potsdam at the age of 31. Earl Rieke (1929-), an agricultural laborer of the same age group, had a similarly meteoric rise through the party cadres, as a successful manager of various nationalized estates and agricultural cooperatives. Anni Neumann (1926-), likewise a country girl, went to work in the shipyards of Rostock and became assistant to the director of the "Neptun" enterprise, a certified master of naval construction, and a member of the G.D.R.'s executive.

As is the case in almost all revolutions, the new regime has its share of alienated men and women who have rejected the systems of the immediate past. In Germany, alienation is not solely the result of social disadvantage. In the history of the Federal Republic of West Germany there have been and are prominent men in both major parties who suffered exile and ill treatment at the hand of fellow Germans (Kurt Schumacher, Erich Ollenhauer, Eugen Gerstenmaier, Willy Brandt). The beastliness of German to German must be considered an important factor in determining the leadership on both sides of the line of demarcation. In the East, countless officials, high and low, in party and in administration, are alumni of prisons,

concentration camps and long years of exile. Not all of them are members of the S.E.D., witness the leading chemist of the G.D.R., Professor Erich Correns, president of the National Front, whose wife died "on the way to a concentration camp."⁵

"OTHER PARTIES"

Next, what about the "other parties" whose representatives sit on the council of state, and whose existence justifies the name of the German Democratic Republic? The people's chamber (*Volkskammer*), last elected in 1963, reflects the following distribution of seats:

Socialist Unity Party (S.E.D.)	110
Christian Democratic Union (C.D.U.)	45
Liberal Democratic Party (L.D.P.)	45
National Democratic Party (N.D.P.)	45
Democratic Peasant Union (D.B.D.)	45
Union of Free German Labor (F.D.G.B.)	60
Free German Youth (F.D.J.)	35
Union of Democratic Women (D.F.D.)	30
Union of German Culture (D.K.B.)	19
Total	434

A heartening picture: a communist state in which the party representing the socialist-communist coalition occupies only 25 per cent of the seats in the legislature!

Reality, needless to say, looks different. The S.E.D. dominates political life because the head of state is also head of the party's politbureau, and because the party has a solid 14-10 majority in the council of state. But that, after all, is true in Britain and the United States where the prime minister or the president respectively function as party chiefs. Even in terms of the people's chamber, however, the S.E.D. is really unassailable, for to its 110 seats must be added those held by officials of its auxiliary organizations: the Free German Youth, the Union of Free German Labor, the Union of Democratic Women and the Union of German Culture. These front groups occupy another 144 seats, thus giving the establishment an

exceedingly safe majority. Any lingering uncertainty concerning the nature of this legislative democracy should be dissipated when one discovers that all 434 members ran on a "National Front" list. All the voter could do was endorse or reject it with a plain "yes" or "no." The "other parties" constitute no opposition in the accepted sense of that word.

The presence of 8 out of 24 non-S.E.D. members on the council of state therefore has merely symbolic importance. Only one of them, Johannes Dieckmann (1893-), chairman of the people's chamber, is a member of Ulbricht's generation and had a political career under the Weimar Republic, as a member of Gustav Stresemann's German People's Party. He is a cofounder and leader of the Liberal Democrats and the president of the Society for German-Soviet Friendship. The others, with one exception, were in their late teens or early twenties at the end of World War II, and no matter what an outsider may think of the spurious nature of G.D.R. coalition politics, it is all they have been able to experience. Manfred Gerlach (1928-) combines the secretary-generalship of the Liberal Democrats with the distinction of being a charter member of the Free German Youth. Else Merke (1920-), a farmer's daughter, represents both the Liberal Peasant Union and the Union of Democratic Women; Friedrich Kind (1928-), the Christian Democrats and the Free German Youth. An unlikely fusion of capitalism and socialism is exemplified by Christian Steinmüller, a Dresden manufacturer and a member of the National Democratic Party, who continues to direct his family factory after partial socialization.

Finally, the council of state includes another National Democrat, Heinrich Homann (1911-) who joined the National Socialist (Nazi) Party in 1933, embarked on an army career, was captured at Stalingrad, and has since made his living as a full-time official of his party which has chiefly served as a collecting point of former military men and conservatives, not so much, one suspects, to allow them freedom of political action, but to facili-

⁵ This and all other personal data from *SBZ von A bis Z* (Bonn: 1964-1965).

tate their steady surveillance by the state.⁶

The council of state does not provide the free interplay of independent factions competing for political power. It is part of a system of interlocking political directorates. As the case of Willi Stoph indicates, some of its membership is drawn from the subaltern council of ministers. Practically all its members hold seats in the legislature, and the most prominent of its luminaries belong to the central committee of the S.E.D. (Ulbricht, Stoph, Ebert, Mittag, Rieke and Rodenberg). It is there that all threads of authority run together, more particularly in the hands of Walter Ulbricht.

Still, simple conclusions should be viewed with suspicion. A political system, closed by an ingenious net of various rigging devices, must still reckon with the divergent forces of a divided past. Nonetheless, since the building of the wall the G.D.R. has stanchd the outflow of talent and achieved impressive economic growth which makes it an industrial leader among communist nations and the Soviet Union's most important supplier of machinery. Finally, a survey of men and institutions displays different generations and different types of East German communists. The revolt of sons against fathers has not been absent from communist societies elsewhere. The form it will take in East Germany is still not clear.

With growing prosperity, what new paths will the generation of 1920 follow? Will continued economic development be directed

⁶ The role of former Nazi Party members in the G.D.R. deserves study. *SBZ von A bis Z*, for 1964, lists some 250, occupying positions of varying prominence east of the line of demarcation, including Heinz Bentzien (1927-), minister of culture; members of the S.E.D. central committee such as Manfred Ewald (1926-) and Ernst Groschmann (1911-); Walter Neye (1901-), a past rector of the Humboldt University in East Berlin; Willy Nitschke (1912-), director of the Institute for Marxism-Leninism; Friedrich Ring (1915-), chief surgeon of the G.D.R. navy; Gerhard Schill (1925-), the lord mayor of Dresden; Leopold Steidle (1898-), mayor of Weimar, and Werner Winkler, who joined the party before Hitler's advent of power and was minister for chemical industries until the abolition of all industrial ministries.

⁷ Thomas A. Baylis, "The New Economic System: the Role of Technocrats in the G.D.R.," *Survey*, No. 61 (October, 1966), pp. 139-152.



EAST GERMANY

by the realistic technocrat, or will the romantic ideologist continue to outline policy guide lines?⁷ A decision will be complicated by the need for a still unknown leadership which can exercise a patriotic appeal to people on both sides of an increasingly onerous line of division. The Bolshevik trained in the U.S.S.R. will become antiquated and all but useless. His prototype, Walter Ulbricht, is well past 70. A new generation of communist technicians may join or fight the inevitable appearance of communist patriots. Like the German Federal Republic after Adenauer's retirement, the future of the German Democratic Republic is uncertain.

In the fall of 1966, Hans A. Schmitt returned from travels in Europe. He has taught at Tulane since 1959 and specializes in German national integration. He is the author of *The Path of European Union: From the Marshall Plan to the Common Market* (Baton Rouge: Louisiana State University Press, 1962) and of *Charles Péguy: The Decline of an Idealist* (scheduled for 1967 publication).

CURRENT DOCUMENTS

1967 State of the Union Message

On the evening of January 10, President Lyndon B. Johnson presented his 1967 "State of the Union" message to the United States Congress. Excerpts from this address follow:

. . .

I have come here tonight to discuss with you five ways of carrying forward the progress of these last three years. . . .

First, programs. We must see to it, I think, that these new programs that we have passed work effectively and are administered in the best possible way. . . .

I recommend that we intensify our effort to give the poor a chance to enjoy and to join in this nation's progress.

I shall propose certain administrative changes suggested by the Congress as well as some that we have learned from our own trial and error.

I shall urge special methods and special funds to reach the hundreds of thousands of Americans that are now trapped in the ghettos of our big cities, and through Head Start to try to reach out to our very young little children. . . .

This war, like the war in Vietnam, is not a simple one. There is no single battle line which you can plot each day on a chart. The enemy is not easy to perceive or to isolate or to destroy. There are mistakes and there are setbacks, but we are moving, and our direction is forward. . . .

I have recommended and you, the Congress, have approved 10 different reorganization plans combining and consolidating many bureaus of this Government and creating two entirely new Cabinet departments.

And I have come tonight to propose that we establish a new department, a Department of Business and Labor.

By combining the Department of Commerce with the Department of Labor and other related agencies, I think that we can create a more economical, efficient and streamlined instrument that will better serve a growing nation.

Our second objective is partnership—to create an effective partnership at all levels of government. . . .

Federal energy is essential. But it is not

enough. Only a total working partnership among Federal, state and local governments can succeed. The test of that partnership will be the concern of each public organization, each private institution and each responsible citizen.

Each state and county and city needs to examine its capacity for government in today's world, as we are examining ours in the executive department and as I see you are examining yours. Some will need to reorganize and reshape their methods of administration, as we are doing. Others will need to revise their constitutions and their laws to bring them up to date, as we are doing. Above all, I think we must work together and find ways in which the multitudes of small jurisdictions can be brought together more efficiently.

During the past three years we have returned to state and local governments about \$40-billion in grants-in-aid. This year alone 70 per cent of our Federal expenditure for domestic programs will be distributed through the state and the local governments. With Federal assistance, state and local governments by 1970 will be spending close to \$110-billion annually. These enormous sums must be used wisely, honestly and effectively. . . .

Our third objective is priorities—to move ahead on the priorities that we have established within the resources that are available. . . .

We should strengthen the Head Start program, begin it for children 3 years old and maintain its educational momentum by following through in the early years.

We should try new methods of child development and care from the earliest years. . . .

Let us ensure that older Americans, and neglected Americans, share in their nation's progress.

We should raise Social Security payments by an overall average of 20 per cent. . . .

We must raise the limit that retired workers can earn without losing Social Security income.

We must eliminate by law unjust discrimination in employment because of age.

We should embark upon a major effort to provide self-help assistance to the forgotten in our midst—the American Indians and the migratory farm workers.

And we should reach with the hand of understanding to help those who live in rural poverty. . . .

We should call upon the genius of private industry and the most advanced technology to help rebuild our great cities.

We should vastly expand the fight for clean air with a total attack on pollution at its sources, and—because air, like water, does not respect man-made boundaries—we shall set up “regional airsheds” throughout this great land.

We should continue to carry to every corner of the nation our campaign for a beautiful America—to clean up our towns to make them more beautiful, our cities, our countryside by creating more parks and more seashores and more open spaces for our children to play in and for the generations that come after us to enjoy.

We should continue to seek equality and justice for each citizen before a jury, in seeking a job, in exercising his civil rights. We should find a solution to fair housing so that every American, regardless of color, has a decent home of his choice.

We should modernize our Selective Service system. The National Commission on Selective Service will shortly submit its report. I will send you new recommendations to meet our military manpower needs, but let us resolve that this is to be the Congress that made our draft laws as fair and as effective as possible.

We should protect what Justice Brandeis called the “right most valued by civilized men”—the right to privacy. We should outlaw all wiretapping, public and private, wherever and whenever it occurs except when the security of this nation itself is at stake—and only then with the strictest governmental safeguards. And we should exercise the full reach of our constitutional powers to outlaw electronic bugging and snooping.

I hope this Congress will try to help me do more for the consumer. We should demand that the cost of credit be clearly and honestly expressed so our average citizen can understand it.

We should immediately take steps to prevent massive power failures, to safeguard the home against hazardous household products and to assure safety in the pipelines that carry natural gas across our nation.

We should extend Medicare benefits that are now denied to 1,300,000 permanently and totally disabled Americans under 65 years of age.

We should improve the process of democracy by passing our election reform and financing proposals, by tightening our laws regulating lobbying,

and by restoring a reasonable franchise to Americans who move their residences.

We should develop educational television into a vital public resource to enrich our homes, educate our families and to provide assistance in our classrooms. And we should insist that the public interest be fully served. . . .

This nation must make an all-out effort to combat crime. . . .

So, I will recommend to the 90th Congress the Safe Streets and Crime Control Act of 1967. It will enable us to assist those states and cities that try to make their streets and their homes safer and their police forces better and their correction systems more effective and their courts more efficient.

And when the Congress approves, the Federal Government will be able to provide a substantial percentage of the cost:

¶ 90 per cent of the cost for developing the state and local plan—master plan—to combat crime in their area.

¶ 60 per cent of the cost of training new tactical units and developing instant communications and special alarm systems, and introducing the latest equipment and techniques so that they can become weapons in the war on crime.

¶ And 50 per cent of the cost of building crime laboratories and police academy-type centers so that our citizens can be protected by the best-trained and served by the best-equipped police to be found anywhere.

We will also recommend new methods to prevent juvenile delinquents from becoming adult delinquents. And we'll seek new partnerships with states and cities in order to deal with this hideous narcotics problem. And we'll recommend strict control on the sale of firearms. . . .

Our country's laws must be respected. Order must be maintained. And I will support with all the constitutional powers the President possesses our nation's law enforcement officials in their attempt to control the crime and the violence that tear the fabric of our communities. . . .

Our fourth objective is prosperity, to keep our economy moving ahead, moving ahead steadily and safely.

We have now enjoyed six years of unprecedented and rewarding prosperity.

Last year, 1966:

¶ Wages were the highest in history, and the unemployment rate, announced yesterday, reached the lowest point in 13 years.

¶ The total after-tax income of the American families after taxes rose nearly 5 per cent.

¶ The corporate profits after taxes rose a little more than 5 per cent.

¶ Our gross national product advanced 5½ per cent to about \$740-billion.

¶ Income per farm went up 6 per cent.

Now we have been greatly concerned because consumer prices rose $4\frac{1}{2}$ per cent over the 18 months since we decided to send troops to Vietnam. This was more than we had expected, and the Government tried to do everything that we knew how to do to hold it down. . . .

Our greatest disappointment in the economy during 1966 was the excessive rise in interest rates and the tightening of credit. They imposed very severe and very unfair burdens on our home buyers and on our home builders and all those associated with the home industry. . . .

As 1966 ended, price stability was seemingly being restored. . . . I'm confident that this movement can continue, and I pledge the American people that I will do everything in the President's power to lower interest rates and to ease money in this country. . . .

I recommend to the Congress a surcharge of 6 per cent on both corporate and individual income taxes to last for two years or for so long as the unusual expenditures associated with our efforts in Vietnam continue. . . .

For fiscal 1967 we estimate the budget expenditures to be \$126.7-billion—126.7—and revenues of \$117-billion. That will leave us a deficit this year of \$9.7-billion.

For fiscal 1968 we estimate the budget expenditures of \$135-billion and, with the tax measures recommended and a continuing strong economy, we estimate revenues will be \$126.9-billion. The deficit then will be \$8.1-billion. . . .

Abroad, as at home, there is also a risk in change. But abroad, as at home, there is a greater risk in standing still. No part of our foreign policy is so sacred that it ever remains beyond review. We shall be flexible where conditions in the world change, and where man's efforts can change them for the better. . . .

In Latin America, the American chiefs of state will be meeting very shortly to give our hemispheric policies new direction. . . .

So, together, I think, we must now move to strike down the barriers to full cooperation among the American nations, to free the energies and the resources of two great continents on behalf of all our citizens.

Africa stands at an earlier stage of development than Latin America. It has yet to develop the transportation and communications and agriculture and, above all, the trained men and women without which growth is impossible. There, too, the job will best be done if the nations and the people of Africa cooperate on a regional basis.

More and more our programs for Africa are going to be directed toward self-help. . . .

In the Middle East the spirit of goodwill toward all unfortunately has not yet taken hold. An al-

ready tortured peace seems to be constantly threatened. We shall try to use our influence to increase the possibilities of improved relations among the nations of that region, and we are working hard at that task.

In the great subcontinent of South Asia live more than a sixth of the earth's population. Over the years we and others have invested very heavily in capital and food for the economic development of India and Pakistan.

We are not prepared to see our assistance wasted, however, in conflict. It must strengthen their capacity to help themselves. It must help these two nations, who are both our friends, to overcome poverty and to emerge as self-reliant leaders and find terms for reconciliation and cooperation.

In Western Europe we shall maintain in NATO an integrated common defense. But we also look forward to the time when greater security can be achieved through measures of arms control and disarmament and through other forms of practical agreement.

We are shaping a new future of enlarged partnership in nuclear affairs, in economic and technical cooperation, in trade negotiations, in political consultation, and in working together with the governments and peoples of Eastern Europe and the Soviet Union. . . .

We have signed an agreement at the United Nations on the peaceful uses of outer space.

We have agreed to open direct air flights with the Soviet Union.

We have removed more than 400 nonstrategic items from export control. . . .

We have entered into a cultural agreement with the Soviet Union for another two years.

We have agreed with Bulgaria and Hungary to upgrade our legations to embassies.

We have started discussions with international agencies on ways of increasing contacts with Eastern European countries. . . .

So, tonight I now ask and urge this Congress to help our foreign and our commercial trade policies by passing an East-West trade bill and by approving our consular convention with the Soviet Union.

The Soviet Union has in the past year increased its long-range missile capabilities. It has begun to place near Moscow a limited antimissile defense. . . .

And I would emphasize that that is why an important link between Russia and the United States is in our common interest in arms control and in disarmament. We have the solemn duty to slow down the arms race between us, if that is at all possible, in both conventional and nuclear weapons and defenses. . . .

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BOOK REVIEWS

COMMUNISM AND EAST EUROPE

THE MARKET-PLANNED ECONOMY OF YUGOSLAVIA. BY SVETOZAR PEJOVICH. (Minneapolis: University of Minnesota Press, 1966. 160 pages, appendix and index, \$5.75.)

Among the communist countries, only Yugoslavia has undertaken a significant measure of decentralization of economic management and decision-making. This specialized study of the workings of economic laws under a socialist system is most welcome. Relatively little systematic treatment has been accorded to the Yugoslav system. In succinct chapters the author deals with the legal structure of the Yugoslav economy, the scope and character of economic planning, the performance of the economy, and the operation of a firm; in concluding sections the author presents the relevance of the Yugoslav experience for other socialist economies, suggesting that the U.S.S.R. may in the future move along the Yugoslav path to a modified system of central planning and free-market forces.

Though primarily for the specialist, this tightly organized and analyzed work will prove useful for the lay reader concerned with trends in East Europe. A.Z.R.

EASTERN EUROPE IN TRANSITION.

EDITED BY KURT LONDON. (Baltimore: The Johns Hopkins Press, 1966. 352 pages and index, \$8.95.)

A compilation of papers presented at the Fifth International Conference on World Politics, held in Holland in the fall of 1965, this book presents the thinking of some of the leading Western experts on East European affairs. The overall focus is, as the title indicates, the processes of change in this area, with particular emphasis upon the nature of reemergent nationalism there

and its significance for relations with the "outside" world of Russia, China, West Europe and the United States. As with many works of this kind there is considerable unevenness in the contributions and a tendency toward generalizations and restatement of well-known facts. However, the reader not familiar with this part of the world will find this an interesting and useful collection of views and facts.

Stephen S. Anderson
Marlboro College

LOOK EAST, LOOK WEST: THE SOCIALIST ADVENTURE IN YUGOSLAVIA. BY DAVID TORNQVIST. (New York: Macmillan, 1966. 298 pages and index, \$6.95.)

This lively book explores the question which has fascinated many thoughtful observers of post-Stalinist Yugoslavia: can a humane and genuinely democratic society develop under the constraints of a single-party political system? In his search for an answer to this question, Mr. Tornqvist spent two years in Yugoslavia, not as a tourist, a student, or a journalist, but as a regular employee of a small publishing house. From this vantage point he had an unparalleled opportunity to observe the workings of the self-management organs which Yugoslav communists consider to be the essential links between the individual and society under communism.

As a record of these observations, Mr. Tornqvist's book is personal and also vivid. Fortunately, however, it manages to avoid both uncritical praise and facile criticism. It discusses the problems and shortcomings in the work of self-management organs, but also details what has already been achieved in the realm of "direct democracy." It faces the problem of party control honestly and exhaustively, always from the stand-

point of practice, rather than theory. The result is a thoroughly readable and highly illuminating book which should take its place among the handful of really good studies of contemporary Yugoslavia.

S.S.A.

PIŁSUDSKI'S COUP D'ETAT. By JOSEPH ROTHSCHILD. (New York: Columbia University Press, 1966. 383 pages and index, \$10.00.)

At the end of World War I, a resurrected Polish state entered the European arena, endowed with a political structure modeled closely upon West European parliamentary democracy. In less than a decade, this structure lay in ruins, subverted by the very national patriot who had been most instrumental in establishing it: Marshal Josef Piłsudski. This book traces the complex of historical forces and personal permutations which produced this ironic—and tragic—outcome. A valuable addition to the scholarly literature on interwar Poland. S.S.A.

THE COMINTERN — HISTORICAL HIGHLIGHTS. EDITED BY MILORAD M. DRACHKOVITCH and BRANKO LAZITCH. (New York: Praeger, 1966. 430 pages and index, \$10.00.)

Students of the Communist International will find this volume of original essays, recollections and documents useful in illuminating obscure aspects of the interwar period. The eight original essays range from Stefan T. Possony's discussion of the Comintern's allegedly lineal relationship to Marx's First International, to Milorad Drachkovitch's piece on the Yugoslav Communist Party in 1941–1942. The three reminiscences—two by French communists and one by an Italian communist—shed new light on incidents in the 1930's and in 1947 at the time of the founding of the Cominform. The documents in the third part deal with the internal problems of the French and German parties in the early 1920's. This is a useful volume, of interest mostly to the Comintern specialist. A.Z.R.

AN ATLAS OF RUSSIAN AND EAST EUROPEAN HISTORY. By ARTHUR E. ADAMS, IAN M. MATLEY and WILLIAM O. McCAGG. (New York: Praeger, 1967. 195 pages, sources and index, \$6.00.)

This book is divided into five parts, in which 1,500 years of the history of Russia and East Europe are traced. More than 100 maps, accompanied by explanatory texts, illustrate the changing geography and the movement of ethnic and religious groups, as well as the political, economic and cultural evolution of this area. The *Atlas* is a concise and quick reference source for anyone interested in this region.

K.P.D.

MISCELLANY

NONALIGNMENT AND THE AFRO-ASIAN STATES. By G. H. JANSEN (New York: Praeger, 1966. 400 pages, appendices and index, \$10.00.)

Viewing Afro-Asian institutional cooperation from the Asian Relations Conference in 1947 to the failure in Algiers in 1965, the author looks behind tenuous feelings of solidarity, and finds that early naive ideals made way for the realities of international affairs and the multiplicity of sovereign, national interests. Today the Afro-Asian movement is merely a forum for joint consultation on whatever interests may be held in common. The author regards economic endeavors, such as manifest at the U.N. Conference on Aid and Trade, as the most fruitful basis for the cooperation of the developing nations on three continents.

W. A. E. Skurnik
University of Colorado

THAILAND, BURMA, LAOS, AND CAMBODIA. By JOHN F. CADY. Englewood Cliffs, N. J.: Prentice-Hall, 1966. 152 pages, bibliography and index, \$4.95.)

The four Theravada Buddhist countries of Thailand, Burma, Laos and Cambodia are of special interest and intriguing to the student of Southeast Asian contemporary
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UNITED STATES POLICY

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ence. The same argument would apply to increased cultural exchanges.

A third approach is similar to the second, except that it would treat the Soviet Union and the East European countries alike. It would assume that further liberal changes are taking place in both the Soviet Union and the rest of communist East Europe, that they, unlike the Red Chinese, really want and need "peaceful coexistence," and that they would welcome an easing of tensions.

It is obvious that the Johnson administration has chosen to follow a combination of the second and third courses. It is doing so not out of any "softness" toward communism. Rather, it is led by the conviction that this is the more practical policy, the one which will come closer to achieving the general aims of American policy. As Zbigniew Brzezinski, the director of Columbia University's Research Institute on Communist Affairs and a member of the State Department's planning council, has pointed out:

The Communist regimes, more than the pluralistic West, require hostility and tension to maintain their unity. It is impossible to think of the Hungarian revolution or the Polish October without the "spirit of Geneva" which created a climate of relaxation; it is likewise impossible to consider the Rumanian self-assertion of 1964 occurring in the context of the war-threatening Berlin crisis. Détente inevitably challenges Soviet control over East Europe.¹⁶

In 1965, Brzezinski listed the following specific goals which he thought the United States should pursue in the immediate future:

1. To convince the East Europeans, particularly the Czechs and the Poles, that the existence of East Germany limits their freedom without enhancing their security. . . .
2. To promote a German-Polish reconciliation, somewhat on the model of the Franco-German reconciliation of the fifties. . . .

¹⁶ Zbigniew Brzezinski, *Alternative to Partition: For a Broader Conception of America's Role in Europe* (New York: McGraw-Hill, 1965), p. 121.

¹⁷ *Ibid.*, pp. 134-161 *passim*.

3. To lessen the Russian obsession with Germany. . . .

4. To relate the expansion of economic ties to more extensive cultural and social contacts. . . .

5. To promote multilateral ties with West Europe and East Europe.¹⁷

The question naturally arises as to why the United States should be actively engaged in any policy in East Europe, especially when we are still so deeply involved in Vietnam. Why not let the countries of West Europe, who are closer to the problem, deal with East Europe?

This may be precisely the way in which France's Charles de Gaulle sees it. His slogan of "Europe to the Urals" was meant to convey something of this idea. France's recent successes in establishing new contacts—and re-establishing old ones—in East Europe are significant. De Gaulle's eleven-day tour of the Soviet Union in early July, 1966, coming as it did at precisely the same time as France pulled out of NATO, was a stunning show of French independent policy in Europe. The resumption of ties between France and certain East European countries, especially Rumania, recalled France's traditionally strong role in that region.

Similarly, especially after control in West Germany passed from Konrad Adenauer to Chancellor Ludwig Erhard, the West German government also pursued a more active policy in East Europe, one based on the recognition of evolutionary changes in East Europe. This policy was only intensified with the advent of the new chancellor, Kurt Georg Kiesinger, and Foreign Minister Willy Brandt in November, 1966. The most startling result of Bonn's new approach was the establishment of diplomatic relations between West Germany and Rumania, on January 31, 1967. When Foreign Minister Willy Brandt shook hands with Rumania's Foreign Minister Corneliu Manescu to seal the agreement, in effect he scrapped the Hallstein Doctrine. Once a cornerstone of West German foreign relations, the Hallstein Doctrine proclaimed that West Germany would not recognize any country that had diplomatic relations with East Germany, except the Soviet Union. With the demise of this policy, the road is now open for similar agreements between West

Germany and other East European countries, especially Hungary, Bulgaria and Czechoslovakia, much to the openly declared displeasure of the communist regime of East Germany.¹⁸

That the United States government welcomes such steps may be gathered from the whole trend of United States policy in Eastern Europe today. Significant, for example, is the statement made on November 25, 1966, by Under Secretary for Political Affairs Eugene V. Rostow at a meeting of the ministerial council for the Organization for Economic Cooperation and Development. He stressed that it was not the American view to urge the member nations of the O.E.C.D. to promote a common position with which to confront the countries of Eastern Europe. Rather he hoped that they would share views on steps to be taken singly by each member, with the goal of bringing the East European countries into the O.E.C.D. as well.¹⁹

It is Brzezinski's view, nonetheless, that the United States must take the lead in the whole task of restoring the unity of Europe, precisely because it is not a European power. If the United States stands aside, he warned,

there are mounting prospects that a "European Europe" of smaller nationalist states will by default seek its own accommodation with Russia, with all the dangers this would pose for America's continued relationship to Europe and for Europe itself.²⁰

¹⁸ *The New York Times*, February 4, 1967, p. 1.

¹⁹ Rostow, *op. cit.*, pp. 24-25.

²⁰ Brzezinski, *op. cit.*, p. 131.

"REFORM" IN YUGOSLAVIA

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an equal footing. It is probably time to revise this estimate. Although many trials—and surely many more "Reforms"—still lie ahead, Yugoslavia is by now well-launched into modernity. Its problems, both internal and external, are not those of a backward nation. Rather, Yugoslavia has created the broad base of a modern industrial state and its chief concern now must be the efficient and rational

utilization of its human and material resources. In this writer's opinion, the course that has been chosen in dealing with these new problems holds great promise for the creation of a society in which local and national, individual and social interests will be effectively and humanely integrated.

HARD LINE IN POLAND

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concluded: "There is no doubt that the conditions for calling such a conference continue to ripen."³⁴

It is very probable that the two days of secret talks held on January 17 and 18, 1967, in Poland, among the top policy-makers of both countries dealt with the forthcoming conference. It is significant perhaps that this is the first time Party General Secretary Leonid I. Brezhnev, Premier Aleksei N. Kosygin, and Supreme Soviet Presidium Chairman Nikolai V. Podgorny had traveled together to the same foreign country. The communique merely said that the meetings dealt with "an exchange of views on questions of Soviet-Polish relations and current problems of international politics."³⁵ Of interest is the statement that the participants in the talks established "complete unity of views in their evaluation of the current international situation and conditions in the world communist movement."

³⁴ Broadcast over *Radio Warsaw* (December 1, 1966); cited in R.F.E., *Situation Report* (December 5, 1966), p. 1.

³⁵ "Druzheskaya vstrecha rukovoditelei Kommunisticheskoi Partii Sovetskogo Soyuza i Polskoi Obedinennoi Rabochei Partii" (Comradely Meeting of Leaders from the Communist Party of the Soviet Union and the Polish United Workers' Party), *Krasnaya zvezda* (January 21, 1967), p. 1.

BALKAN KALEIDOSCOPE

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support. Nationalism is the cement of which viable states are made.

The recrudescence of nationalism, which is not without its negative features, means

that each communist country in East Europe will likely concentrate on national economic growth and modernization. Given this priority, improved relations with the Western countries assume growing importance, not only economically, but also politically, as a foil against Soviet pressures. As Moscow's once unchallenged hegemony over East Europe becomes more obviously a thing of the past, the dilemmas—for East and West—arising from diversity call for revised assumptions and constructive new policies.

ALBANIA AND CHINA

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people; peasant radicalism; Western political and diplomatic indifference to Albania (cunningly converted by Communist propaganda into the *active* hostility of an "imperialist blockade"). This powerful ideological and political mixture has helped to create some sort of unity between the regime and the people over whom it rules. It has also played a part in forging the incongruous alliance between China and Albania.

BOOK REVIEWS

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foreign policy. In a sense these territorial units represent all varieties of the international political spectrum: Bangkok is staunchly pro-Western. Phnom-Penh practices a "lean-to-the-East" type of diplomacy, Rangoon is resolutely neutral or non-aligned and Vientiane has been unable to develop a clear and distinctive orientation on any transnational issue. To bare some of the reasons for this immense diversity amidst the apparent patina of religious unity, the author presents much factual material relevant to an appreciation of the historic roots of the area. His sweep is historical and expository and his tools of analysis are summary accounts of political developments.

René Peritz

Indiana State University

THE UNITED STATES AND JAPAN.

By THE AMERICAN ASSEMBLY. (Englewood Cliffs, N.J.: Prentice Hall, 1966. 161 pages and index, \$3.95.)

This collection of six essays was originally meant to be used for background information at a recent meeting of The American Assembly. Hence, taken individually, the papers are at times uneven in style and content. Nevertheless, the reports as a whole give the impression of being carefully thought through and deal with six different topics of importance to contemporary Japan. Basically, the essays are "tension" studies since they deal with tension-creating situations both external and internal to that country.

This volume of less than 200 pages emphasizes, directly and indirectly, the changing political climate in Japan to a number of national issues. These, in turn, bear on American attitudes toward the erstwhile foe. Such topical matters as the dynamic and unexpected emergence of the Soka Gakki in recent years; nagging and unsettled questions as to the eventual disposition of Okinawa; and the recent uninhibited discussions in Japan about the value of an American defense umbrella are accorded various degrees of emphasis in different parts of the essays. Herbert Passin, the editor and well-known sociologist, is to be commended for his excellent choice of authorities and for helping to make a valuable contribution to the growing pool of problem-oriented studies. R.P.

BECHUANALAND. By B. A. YOUNG (London: H.M. Stationery Office, 1966. 122 pages, illustrated, map, bibliography and index, \$4.00.)

Bechuanaland offers a brief, factual introduction to Botswana, a country only slightly smaller than Texas, with a large desert and half a million people. The author, a reporter for the *Financial Times* (London), brings his own wide reading and lively interest to a description of the land, people, history, and precarious economy.

W.S.

STATE OF THE UNION

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And I expect in the days ahead to closely consult and seek the advice of the Congress about the possibilities of international agreements bearing directly upon this problem.

Next to the pursuit of peace, the really greatest challenge to the human family is the race between food supply and population increase. That race tonight is being lost. The time for rhetoric has clearly passed. The time for concerted action is here, and we must get on with the job.

We believe that three principles must prevail if our policy is to succeed.

First, the developing nations must give high priority to food production, including the use of technology and the capital of private enterprise.

Second, nations with food deficits must put more of their resources into voluntary family planning programs.

Third, the developed nations must all assist other nations to avoid starvation in the short run and to move rapidly towards the ability to feed themselves. . . .

I come now finally to Southeast Asia, and to Vietnam in particular. . . .

We are in Vietnam because the United States of America and our allies are committed by the SEATO Treaty to "act to meet the common danger of aggression in Southeast Asia.

We are in Vietnam because an international agreement signed by the United States, North Vietnam and others in 1962 is being systematically violated by the Communists.

That violation threatens the independence of all the small nations in Southeast Asia and threatens the peace of the entire region and, perhaps, the world.

We are there because the people of South Vietnam have as much right to remain non-Communist, if that is what they choose, as North Vietnam has to remain Communist. . . .

We have chosen to fight a limited war in Vietnam in an attempt to prevent a larger war—a war that's almost certain to follow, I believe, if the Communists succeeded in over-running and taking over South Vietnam by aggression and by force. . . .

I wish I could report to you that the conflict is almost over. This I cannot do. We face more cost, more loss and more agony. . . .

Our men in that area—there are nearly 500,000 now—have borne well the burden and the heat of the day. Their efforts have deprived the Communist enemy of the victory that he sought and that

he expected a year ago. We have steadily frustrated his main forces. . . .

I must say to you that our pressure must be sustained, and will be sustained, until he realizes the war he started is costing him more than he can ever gain. . . .

Our South Vietnamese allies are also being tested tonight because they must provide real security to the people that are living in the countryside. And this means reducing the terrorism and the armed attacks which kidnaped and killed 26,900 civilians in the last 32 months to levels where they can be successfully controlled by the regular South Vietnamese security forces.

It means bringing to the villagers an effective civilian government that they can respect and that they can rely upon and that they can participate in and that they can have a personal stake in their government.

While I cannot report the desired progress in the pacification effort, the very distinguished and able Ambassador Henry Cabot Lodge reports that South Vietnam is turning to this task with a new sense of urgency. . . .

The performance of our men in Vietnam, backed by the American people, has created a feeling of confidence and unity among the independent nations of Asia and the Pacific. . . .

This forward movement is rooted in the ambitions and the interests of Asian nations themselves. It was precisely this movement that we hoped to accelerate when I spoke at Johns Hopkins in Baltimore in April, 1965. . . .

Twenty months later our efforts have produced a new reality. The doors of the billion-dollar Asian Bank . . . I am proud to tell you, are already open.

Asians are engaged tonight in regional efforts in a dozen new directions; their hopes are high; their faith is strong; their confidence is deep.

And even as the war continues, we shall play our part in carrying forward this constructive historic development. As recommended by the Eugene Black mission, and if other nations will join us, I will seek a special authorization from the Congress of \$200-million for east Asian regional programs. . . .

We shall continue to hope for a reconciliation between the people of mainland China and the world community—including working together in all the tasks of arms control, and security, and progress on which the fate of the Chinese people, like their fellow men elsewhere, depends. . . .

We will support all appropriate initiatives by the United Nations and others which can bring the several parties together for unconditional discussion of peace, anywhere, any time. And we will continue to take every possible initiative ourselves to constantly probe for peace.

THE MONTH IN REVIEW

A CURRENT HISTORY chronology covering the most important events of February, 1967, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Disarmament

Feb. 21—The Geneva Disarmament Conference of 17 nations (France refuses to participate) resumes. A message from U. S. President Lyndon B. Johnson tells nonnuclear nations that a nonproliferation treaty will not prevent their development of peaceful uses of atomic energy.

General Agreement on Tariffs and Trade (GATT)

Feb. 14—It is reported that the U.S. has informed European nations it has set a deadline, the end of March, for the conclusion of the 4-year-old tariff-cutting negotiations known as the "Kennedy round." The tariff-cutting authority of the U.S. negotiators (as provided for in the 1962 Trade Expansion Act) expires on June 30, 1967.

Latin America

Feb. 12—The final text of a treaty to make Latin America a nuclear-free zone is adopted by 21 Latin American nations.

Feb. 13—The U.S. says that it cannot sign the pact establishing Latin America as a nuclear-free zone.

Feb. 14—Fourteen nations sign the nuclear-free zone treaty. Neither the 4 non-Latin American powers holding territory in the area, nor the 5 nuclear powers—the U.S., the U.S.S.R., Britain, France and China—have endorsed the treaty.

Organization of American States (O.A.S.)

Feb. 15—In Buenos Aires, Argentina, the third special inter-American conference of the O.A.S. opens.

Feb. 17—The 11th consultative meeting of

O.A.S. foreign ministers opens in Buenos Aires.

Feb. 21—U.S. Secretary of State Dean Rusk leaves the foreign ministers' conference; U.S. Ambassador-at-Large Ellsworth Bunker takes charge of the U.S. delegation.

Feb. 23—The O.A.S. unanimously admits Trinidad and Tobago to the organization.

Feb. 26—In a communique issued at the close of the foreign ministers' conference, it is announced that a summit conference of hemisphere heads of state will be held April 12-14 at Punta del Este, Uruguay, and that a draft of a 6-point agenda has been completed.

War in Vietnam

(See also *U.S., Foreign Policy*)

Feb. 1—In Washington, D.C., it is reported that North Vietnam, through diplomatic intermediaries, has informed the U.S. that peace talks may follow only after all American hostilities against North Vietnam end.

Feb. 6—New York Senator Robert Kennedy (D.) reports to President Johnson on his trip abroad. Later, in the White House lobby, Kennedy declares that he has not brought "any peace feelers," as was rumored.

Feb. 7—The Vietcong and South Vietnam and its allies begin a 4-day truce during Tet, the Lunar New Year.

Feb. 8—Speaking in London, Soviet Premier Aleksei Kosygin declares that the U.S. must stop bombing North Vietnam before peace talks with North Vietnam can be arranged. He declares that the U.S.S.R., Britain and other nations could help settle the Vietnam question "on the basis of the Geneva agreements. . . ."

Feb. 9—After an interview with North Viet-

namese Foreign Minister Nguyen Duy Trinh, Australian leftist journalist Wilfred Burchett reports a statement by Trinh indicating that, if U.S. bombing stopped, peace talks could be held.

Feb. 10—State Department spokesman Robert McCloskey discloses that the U.S. government doubts the enemy is “genuinely interested in a peaceful settlement.”

Feb. 11—South Vietnam and its allies resume hostilities at the end of a 96-hour truce.

Feb. 13—U.S. President Johnson announces the resumption of bombing attacks on North Vietnam after a 6-day lull ordered to give more flexibility to the Kosygin-Wilson talks in London. (See *United Kingdom*.) Johnson reaffirms that “the door . . . will remain open” for peace negotiations.

Feb. 22—*The New York Times* reports that Mai Van Bo, North Vietnam’s representative in Paris, has reasserted North Vietnam’s offer to attend peace talks if the U.S. will end bombing attacks unconditionally and permanently.

Some 25,000 U.S. troops open an offensive, Operation Junction City, in War Zone C, in the largest offensive of the war to date.

Feb. 24—It is announced that on February 21, 4 batteries of 175-mm. guns, based at Camp Carroll (10 miles south of the demilitarized zone separating North and South Vietnam), shelled North Vietnam. This is the first time U.S. guns in South Vietnam have shelled North Vietnam.

Feb. 26—A U.S. army patrol, within 100 yards of the border, sees Vietcong guerrillas cross into South Vietnam from Cambodia.

Feb. 27—The U.S. command in Vietnam announces that its planes have dropped “non-floating” mines into North Vietnamese rivers to hamper sampans and junks; “deep-water maritime traffic” will not be affected.

Warsaw Pact

Feb. 6—It is reported that the Warsaw Pact meeting scheduled for tomorrow in East Berlin has been transferred to Warsaw.

Rumania threatened to boycott the East Berlin meeting because an East German newspaper had criticized Rumanian Foreign Minister Corneliu Manescu.

Feb. 9—P.A.P. (official Polish press agency) reports that 6 East European foreign ministers and the deputy foreign minister of Rumania are meeting in Warsaw to discuss differences over their policies toward West Germany.

Feb. 10—The 3-day Warsaw Pact meeting ends. A communique declares that the conferees had “a friendly exchange of views” on reducing tensions in Europe.

BRAZIL

Feb. 8—The government of President Humberto Castelo Branco decrees a 2-day bank holiday to institute the “new cruzeiro” and a currency devaluation.

CHINA, PEOPLE’S REPUBLIC OF

Feb. 1—In Peking, Red Guards force an official of the French embassy to leave his car and stand for 7 hours in the cold.

Feb. 2—*Jenmin Jih Pao* (Communist Party newspaper) declares that Maoists have seized power in Heilungkiang, northernmost Chinese province. The newspaper declares that not all suspect party officials should be overthrown, particularly not those party leaders who are wavering or willing to correct their errors.

Feb. 3—A Chinese official in Moscow reports that Soviet plainclothesmen removed a display case from in front of the Chinese embassy in Moscow. The display contained photographs of the fighting between Russians and Chinese students in Moscow last week. (See also *U.S.S.R.*)

It is reported that in a Peking wall poster, the Communist Party’s central committee has ordered the army to seize control of grain storage depots throughout China.

Feb. 5—Chinese demonstrators in Peking harass a group of Soviet women and children leaving Peking for Moscow.

Feb. 6—According to Japanese correspondents, diplomatic sources in Peking have

disclosed the ouster of President Liu Shao-chi and the secretary general of the Communist Party, Teng Hsiao-ping. It is also reported that steps have been taken to set up "city communes" in Shanghai and in Taiyuan.

Feb. 7—It is reported that wall posters in Peking order the Red Guards to "return to the places and schools from which they came and take part there in the great, historical, decisive battle." The order has been issued by the central committee of the Chinese Communist Party and by the state council (cabinet). Red Guard marches are to end and, in Peking, free meals for Red Guards are discontinued.

Feb. 11—According to Japanese dispatches from Peking, wall posters order all members of the army and affiliated agencies who have been absent because of political activities to return to their units by February 20.

It is reported that a new committee has been set up in Peking by Security Minister Hsieh Fu-chih to preserve the "revolutionary order." A wall poster discloses that the command headquarters for the Peking military region will take control of the Peking Municipal Committee.

It is reported that Chairman Mao Tse-tung has alerted Chinese army units along the Sino-Soviet frontier. Mao charges that the U.S.S.R. is mobilizing troops there. At a rally in Peking, Premier Chou En-lai charges that Soviet leaders do not represent the Soviet people.

Feb. 13—Hsieh Fu-chin, minister of security, is named director of the Commune of Peking, according to a Red Guard poster.

Feb. 14—Japanese correspondents in Peking report that anti-Maoists have gained control of Lhasa, the capital of Tibet.

Feb. 16—According to a report from Peking, a Red Guard newspaper has charged that, in anti-Maoist attacks in Szechwan Province, Chinese soldiers and peasants are harassing Red Guards.

Feb. 24—In Peking, *Agence France-Presse* reports that Red Guard wall posters there say anti-Maoists have set up a national

political party, the "Chinese Workers' Party."

Feb. 27—According to a Japanese report, a Red Guard wall poster in Peking quotes Chairman Mao and Premier Chou as criticizing Maoists for carrying out the Cultural Revolution in "bad taste" and with a lack of civility.

CONGO, REPUBLIC OF THE (Kinshasa)

Feb. 17—The Générale Congolaise des Minerais (the government-owned company that replaced the Union Minière du Haut-Katanga) and the Société Générale des Minerais de Belgique (Union Minière's parent company) sign a technical agreement; the Société will provide administrative and other services to the government-owned company.

CZECHOSLOVAKIA

Feb. 4—Vladimir Kazan-Komarek, a U.S. citizen of Czech birth, returns to the U.S. after his expulsion from Czechoslovakia, following a suspended 8-year prison sentence. (See *Current History*, March, 1967, p. 185.)

Feb. 7—In a communique, it is disclosed that Soviet Communist Party leader Leonid I. Brezhnev ended an unannounced 3-day visit to Czechoslovakia last night.

ETHIOPIA

Feb. 13—Emperor Haile Selassie arrives in the U.S. at the start of a 21-day trip that will also include the U.S.S.R.

GERMANY, DEMOCRATIC REPUBLIC OF (East)

(See also *Intl. Warsaw Pact*)

Feb. 3—*Neues Deutschland* (Communist Party newspaper) criticizes Rumania for establishing diplomatic ties with West Germany.

Feb. 20—The *Volkskammer* (parliament) adopts a bill setting up a separate nationality for East Germans, who will now be known as "citizens of the G.D.R.," and no longer as Germans. The bill also de-

clares that all persons residing in East Germany on October 7, 1949, are citizens of the G.D.R., regardless of where they are now living.

GERMANY, FEDERAL REPUBLIC OF (West)

(See also *U.S., Foreign Policy*)

Feb. 15—West German Chancellor Kurt Georg Kiesinger and British Prime Minister Harold Wilson confer in Bonn; Wilson is seeking West German support for British admission to the E.E.C.

Feb. 24—A Munich court sentences 3 officials of the S.S. (Hitler's elite guard) to 5, 9 and 15 years in prison respectively for their participation in the murder of over 90,000 Dutch Jews during World War II.

Feb. 27—At a 3-nation discussion of German financial support toward maintaining British and American troops on German soil, George Thomson, British minister of state for foreign affairs, threatens the withdrawal of British troops unless West Germany pledges a "substantial" contribution by April 11.

HUNGARY

(See *U.S.S.R.; Yugoslavia*)

INDIA

(See also *U.S., Foreign Policy*)

Feb. 15—General elections begin. Over 30 million voters cast their ballots. The voting will continue for a 7-day period.

Feb. 26—In the general elections, the Congress Party of Prime Minister Indira Gandhi suffers serious setbacks. Its parliamentary majority is cut; with most returns in, the Congress Party has won 276 of the 521 seats in parliament (the C.P. had 375 seats previously). The Congress Party also fails to win a majority in 8 of the 16 state elections. Finance Minister Sachinda Chaudhuri, Food Minister Chidanbara Subramaniam, and Kumaraswami Kamaraj, president of the Congress Party, are defeated in their races for parliament.

INDONESIA

Feb. 9—In a resolution, the standing com-

mittee of the provisional people's consultative congress unanimously demands that President Sukarno be ousted and tried for treason.

Feb. 13—The supreme court, in a 120-page decision, asks congress to try President Sukarno for treason.

Feb. 22—Following a meeting of the cabinet presidium, chaired by General Suharto, it is announced that President Sukarno has given all governmental power to Suharto. Sukarno keeps his title. It is reported that Sukarno signed a document divesting himself of all authority 2 days ago.

IRAN

Feb. 19—Premier Amir Abbas Hoveida tells parliament that the Soviet Union and Iran have signed an agreement whereby Iran will purchase \$110 million worth of arms and military supplies from the U.S.S.R.

ISRAEL

Feb. 19—An Israeli army spokesman discloses that last night a Syrian infiltrator was shot and killed 1,000 feet within the Israeli border near Notera.

JAMAICA

Feb. 21—Unofficial returns show that the ruling Labor Party has won a majority of the 53 parliamentary seats in the country's first general elections since independence 5 years ago.

Feb. 22—Donald Sangster, leader of the Labor Party, is sworn in as prime minister. He succeeds Sir Alexander Bustamente, the founder of the Labor Party 25 years ago.

JAPAN

Feb. 17—Members of the Liberal Democratic Party, voting in the lower house, reelect Premier Eisaku Sato for another 4-year term.

JORDAN

Feb. 27—Jordan and West Germany resume diplomatic ties, broken in 1965 when West Germany established diplomatic ties with Israel.

MALTA

Feb. 6—It is reported that Maltese Prime Minister George Borg Olivier has denounced the 10-year defense treaty with Britain signed in 1964 when Malta became independent. Last week the British government announced that it was reducing its forces in Malta and closing down the headquarters of the Mediterranean fleet there.

NICARAGUA

Feb. 5—Elections for president and the legislative assembly are held.

Feb. 27—It is reported that Anastasio Somoza Debayle has a sizable lead over his 2 opponents.

POLAND

Feb. 27—Polish Foreign Minister Adam Rapacki returns to Poland after a week in London for talks with British leaders.

RUMANIA

(See also *Intl, Warsaw Pact*)

Feb. 6—Foreign Minister Corneliu Manescu arrives in Brussels for a 4-day official visit.

SOUTH AFRICA, REPUBLIC OF

Feb. 28—The electoral college elects Theophilus E. Dongs to a 7-year term as president of South Africa. He succeeds Charles R. Swart, who will resign May 31, 1967.

SPAIN

Feb. 7—Defying a ban on demonstrations, 1,500 students march in Barcelona in an antigovernment protest. Ten of the 12 universities in Spain are either closed or affected by student strikes or walkouts.

Feb. 28—In the Roman Catholic Church of Santa Rita in Madrid, Jews and Catholics conduct a "Judeo-Christian Paraliturg," a joint meeting of prayer and meditation. Last week, the Spanish government approved the draft of a law providing legal protection for public worship by Spain's minority groups—Jews, Protestants and Muslims.

TANZANIA

Feb. 6—According to reports from Dar es Salaam, President Julius K. Nyerere has ordered the immediate nationalization of all banks.

Feb. 11—Continuing his nationalization program, Nyerere orders the seizure of all insurance companies and the 8 main export-import houses.

U.S.S.R., THE

(See also *Intl, War in Vietnam; China; Czechoslovakia; United Kingdom; U.S., Foreign Policy*)

Feb. 2—It is reported that the Soviet Union will evacuate dependents of personnel working at the Soviet embassy and other agencies in Peking. For the past week, thousands of Chinese have reportedly demonstrated in front of the Soviet embassy in Peking.

Izvestia (Soviet government newspaper) charges that China has impeded Soviet planes en route to North Vietnam as they stop at Peking to refuel.

Feb. 4—In a note, the Soviet Union tells China to stop harassing Russians in Peking.

Feb. 6—Premier Aleksei N. Kosygin arrives in London for a 7-day visit to Great Britain. He meets with British Prime Minister Harold Wilson.

Feb. 7—It is disclosed that the U.S.S.R. has agreed to provide Iran with almost \$100 million in military aid. (See also *Iran*.)

In Moscow, when demonstrators in front of the Chinese embassy enter the embassy, Soviet security men oust them. In Peking, Chinese demonstrators confine Soviet personnel to their embassy compound.

Feb. 9—In London, Premier Kosygin declares that a defensive antiballistic missile system "is not a factor in the arms race."

The New York Times reports that, according to reliable sources, the Soviet Union may remove 3 to 5 divisions from Central Europe and several army divisions from East Germany.

According to *Tass* (Soviet press agency) the Soviet government, in a note to Peking,

protests Chinese blocking of Soviet shipments to North Vietnam.

Feb. 16—*Pravda* (Communist Party newspaper) in an editorial urges the overthrow of Communist Chinese Party Chairman Mao and the resolidifying of the "Socialist community."

Feb. 25—*Tass* discloses that Janos Kadar (first secretary of the Hungarian Communist Party) has arrived in Moscow for unofficial talks.

UNITED KINGDOM, THE

(See also *West Germany*; *U.S.S.R.*)

Feb. 13—The U.S.S.R. and Great Britain issue a communique at the end of Soviet Premier Kosygin's 7-day visit. Britain and the Soviet Union agree to work for peace in Vietnam and to keep in touch "to this end"; and to establish a London-Moscow hot line. Britain agrees to the Soviet proposal for a treaty of "friendship and peaceful cooperation."

Feb. 14—Before a national television audience, British Prime Minister Harold Wilson declares that over the past week-end Vietnam peace talks were "almost within our grasp."

Feb. 16—In a white paper, the British government announces plans to reduce defense expenses, partly because "there is little danger of aggression" from the communist bloc.

UNITED STATES, THE

Agriculture

Feb. 20—Farm organization leaders and individual farmers attend a 1-day national farm policy conference called by Secretary of Agriculture Orville L. Freeman. President Lyndon Johnson addresses the group.

Civil Rights

Feb. 6—*The New York Times* reports that civil rights activity in the South has declined. Civil rights organizations report a total of 65 active organizers in the South; a year ago there were 300.

Feb. 12—Negro leaders disclose that the

"summit conference" on Adam Clayton Powell has been called off. (See *Current History*, March, 1967, page 188.)

Feb. 19—The U.S. Commission on Civil Rights, in a report recommending desegregated schools, asks the Johnson administration and Congress to consider "measures that would eliminate racial isolation in public schools, in the North as well as in the South."

Feb. 27—In Natchez, Mississippi, a planted bomb kills Wharlest Jackson, former treasurer of the Natchez chapter of the National Association for the Advancement of Colored People.

Economy

Feb. 28—The Federal Reserve Board unanimously acts to reduce from 4 to 3 per cent the bank reserve requirements against savings deposits and against the first \$5 million in each bank's time deposits. Some \$850 million—frozen in the summer of 1966—thus will become available for lending and investing.

Foreign Policy

(See also *Intl*, *Disarmament*, *GATT*, *Latin America*, *O.A.S.*, *War in Vietnam*)

Feb. 1—A peace mobilization meeting in Washington, D.C., sponsored by the National Committee of Clergymen and Laymen Concerned about Vietnam, ends a 2-day session. It is announced that beginning on February 8 a 3-day "fast for peace" is planned. All Christians and Jews in the U.S. are asked to participate as "an act of penitence" for the war in Vietnam.

Feb. 2—President Johnson, at a news conference, declares that there are no "serious indications" that North Vietnam is moving towards peace negotiations.

In a special message to Congress, President Johnson announces that he is sending 2 million tons of grain to India. He asks Congress to approve 3 million more tons "provided it is appropriately matched by other countries."

Feb. 4—The U.S. naval carrier Franklin D. Roosevelt stops at Capetown, South Africa,

to refuel. The 3,800 crewmen are not permitted shore liberty because of South Africa's apartheid laws.

Feb. 7—The chief U.S. representative at the U.N., Arthur J. Goldberg, meets with President Johnson. Later Goldberg announces that he will make a "fact-finding" tour of some 12 nations, including South Vietnam.

Feb. 8—In response to a papal message (sent to the U.S., North Vietnam and South Vietnam) urging that the Lunar New Year truce be transformed into peace talks, Johnson voices hope for such a development.

Visiting West German Foreign Minister Willy Brandt meets with U.S. Vice-President Hubert H. Humphrey and Secretary of State Dean Rusk. Later Brandt meets with Johnson at the White House.

Senator Robert Kennedy, speaking at a conference at Chicago University's Center of Policy Studies, declares that U.S. policy toward China must be revised "to yield to the overriding logic of events." He also declares that U.S. economic and military aid to China's neighbors, such as India, if "vital to our national security, . . . should reflect that priority."

Feb. 9—U.S. Secretary of State Dean Rusk rejects any cessation of U.S. bombing raids while North Vietnam continues its "military action by invasion."

At the White House, President Johnson welcomes Moroccan King Hassan II, in the U.S. on an official visit.

Feb. 10—The Atomic Energy Commission announces that it is postponing a nuclear test in deference to the Geneva disarmament conference, scheduled to be reconvened on February 21. The U.S. wishes to win approval of a treaty prohibiting the spread of nuclear weapons.

Feb. 13—Ethiopian Emperor Haile Selassie arrives in the U.S. for a visit.

Feb. 14—The U.S. and the U.S.S.R. announce that yesterday a fishing treaty was signed allowing Russian fishermen, in some instances, to fish within 12 miles of the U.S. coast.

Feb. 20—A Defense Department spokesman discloses that in testimony before a closed session of the Senate Armed Services Committee and the Defense Appropriations subcommittee in January, 1967, Defense Secretary Robert S. McNamara declared that "I don't believe any amount of bombing, within practical limits, of North Vietnam would have substantially reduced whatever the actual infiltration [from North Vietnam] was."

Feb. 25—At a conference in Beverly Hills, California, Dr. Martin Luther King, head of the Southern Christian Leadership Conference, criticizes the U.S. commitment to South Vietnam.

The U.S. chief delegate to the U.N., Arthur J. Goldberg, speaks to the Tokyo Foreign Correspondents Club at the start of a tour of East Asia. He describes himself as President Johnson's "eyes and ears."

Government

Feb. 1—Secretary of the Interior Stewart L. Udall announces that the federal government has dropped its plans to build 2 power-producing dams in the Grand Canyon. Instead, the administration proposes, as part of the Central Arizona Project, that 22 western public and private utilities build an electric power plant that would pump water out of the lower Colorado River to Arizona.

The government's National Endowment for the Humanities announces its first fellowships: \$2 million for 287 scholars.

In secret ballot, House Democrats vote against restoring committee seniority to Representative John Bell Williams of Mississippi. In 1964, Bell supported the Republican presidential nominee and was denied his committee seniority.

Feb. 2—Dr. William Haddon, administrator of the National Traffic Safety Agency, announces that he has accepted the resignation of William I. Stieglitz, a top engineering consultant for the agency. Stieglitz resigned in protest against the federal safety standards issued on January 31, which he terms "totally inadequate."

President Johnson meets with 1,000 government, business and labor leaders at the annual Presidential Prayer Breakfast.

Feb. 4—New standards are published in the Federal Register limiting the amount of hydrocarbons that can be discharged from automobile and truck fuel tanks and carburetors into the atmosphere.

Feb. 6—In a special message to Congress, President Johnson proposes a \$350-billion federal program of grants to stimulate local and state governments to provide better law enforcement and crime prevention techniques.

Feb. 7—The National Endowment for the Humanities announces almost \$1 million in grants for scholarly research projects.

Feb. 8—Representative Adam Clayton Powell (D., N.Y.), appearing before a House committee investigating his qualifications for being seated, refuses to answer questions on constitutional grounds. Chairman Emanuel Celler (D., N.Y.) dismisses Powell as a witness and terminates the hearings.

In a special message to Congress on children and youth, President Johnson proposes a \$235-million program to expand Operation Head Start into the lower elementary grades, to provide medical care, to fight juvenile delinquency, and other measures.

Feb. 9—In a message to Congress, Johnson asks for a \$3.1-billion foreign aid appropriation for each of the next 2 years; this is the smallest foreign aid proposal in the program's 20-year existence.

Feb. 10—The 25th amendment to the U.S. Constitution, to cover presidential disability or succession and any vacancy in the vice-presidency, is ratified. The vice-president is to take over if the president becomes disabled. If the vice-presidency becomes vacant, the president will nominate a successor, subject to congressional approval.

Feb. 13—Eugene Groves, president of the National Student Association, discloses that the organization has received Central Intelligence Agency funds since the early 1950's. The association has branches on

over 300 U.S. college and university campuses; local student government organizations form the membership.

Feb. 14—President Johnson orders the C.I.A. to end all secret aid programs to student groups.

Feb. 15—In a message to Congress on civil rights, Johnson asks for a fair housing law to prohibit discrimination in sales or rentals over a 2-year period.

Under Secretary of State Nicholas deB. Katzenbach announces that President Johnson has asked for a review of the C.I.A. and "directed me, in consultation with Secretary [of Health, Education and Welfare] John W. Gardner and Director [of Central Intelligence] Richard Helms, to formulate a policy that will provide necessary guidance for Government agencies in their relationship to the international activities of American education organizations."

Feb. 16—President Johnson sends a special message to Congress, asking for measures to protect the American consumer.

Feb. 17—President Johnson sends the sixth annual report of the Arms Control and Disarmament Agency to Congress. In an accompanying letter, he expresses hope for a nuclear nonproliferation treaty. He warns against "another costly and futile escalation of the arms race" by the U.S. and the U.S.S.R.

In response to charges that it received C.I.A. funds, the American Newspaper Guild, which sponsors seminars on journalism and on newspaper trade union organization (mainly in Latin America) says it has received nearly \$1 million in grants from 3 alleged C.I.A. conduit foundations since 1960 to finance such activities.

Feb. 18—The President's Commission on Law Enforcement and Administration of Justice, under the chairmanship of Under Secretary of State Katzenbach, issues a 308-page report with over "200 specific recommendations—concrete steps the commission believes can lead to a safer and more just society."

Feb. 19—The American Newspaper Guild

issues a statement denying that it knowingly accepted C.I.A. funds.

Feb. 21—Senator Richard B. Russell (D., Ga.), chairman of the Senate committee that oversees the C.I.A., discloses testimony by the director of the C.I.A., Richard Helms. In closed hearings earlier in the day, Helms stated that the C.I.A. would end subsidies to a number of private organizations.

“An informed labor source,” according to a report by *The New York Times*, has revealed that C.I.A. agents ran the international affairs department of the American Federation of State, County and Municipal Employees; it helped organize strikes in British Guiana in 1962 and 1963, against the then prime minister, Cheddi Jagan.

A new “freedom share” savings note, to help finance the Vietnam war, is announced. It bears a 4.74 per cent interest rate and matures in 4.5 years.

Feb. 23—In a preliminary report released today and endorsed by the White House, Under Secretary of State Katzenbach declares that in making grants to private organizations, the C.I.A. “. . . did not act on its own initiative but in accordance with national policies established by the National Security Council in 1952 through 1954.”

In a report signed by all 9 members and announced by Chairman Emanuel Celler, a select House committee recommends that the House of Representatives seat Adam Clayton Powell, but that he be publicly censured and fined \$40,000 as “punishment” for “gross misconduct.” He is also to lose his seniority.

Feb. 27—President Johnson releases \$175 million in highway funds as the Senate and House joint committee opens an inquiry into the administration’s freeze on \$1.1 billion in highway funds. Johnson promises to release another \$225 million by July 1.

Johnson, in a special message to Congress on the District of Columbia, announces that under the Reorganization Act

of 1945, he will use his executive powers to abolish the appointed District of Columbia city government and to set up the framework for an elected municipal government.

Feb. 28—In a special message on education and health, President Johnson asks Congress to set up a Corporation for Public Television to assist noncommercial television and radio; it would accept funds from outside sources, public and private. Johnson also asks for a major expansion of the Teacher Corps.

A federal grand jury in Jackson, Mississippi, issues indictments against 19 men, including the sheriff and deputy sheriff of Neshoba county. Under a federal civil rights statute of 1870, the men are charged with conspiracy in the 1964 slayings of 3 civil rights workers near Philadelphia, Mississippi.

President Johnson appoints Acting Attorney General Ramsey Clark to be the new U.S. attorney general. Shortly afterwards, Supreme Court Justice Tom C. Clark, father of Ramsey Clark, announces that he will retire at the end of the present court session in June to avoid any conflict of interest.

Labor

Feb. 3—United Automobile Workers President Walter P. Reuther resigns from the executive council and other posts in the American Federation of Labor-Congress of Industrial Organizations. Three other leading U.A.W. officials resign from A.F.L.-C.I.O. positions. It is announced that at its April, 1967, convention, the U.A.W. will reexamine its ties with the federation. The announcements are made following a 5-day meeting of the international executive board of the U.A.W.

Feb. 9—Reuther, in a letter to 1,500 union locals, criticizes the A.F.L.-C.I.O. and declares that the U.A.W. will participate in A.F.L.-C.I.O. activities “on a selected basis. . . .” However, he does not withdraw from the federation.

Feb. 20—George Meany, A.F.L.-C.I.O. presi-

dent, reads a statement after the first session of the A.F.L.-C.I.O.'s executive council's meeting in Bal Harbour, Florida. Without mentioning Reuther's name, the council says that it will consider complaints if they are "properly offered."

Feb. 23—Following a meeting with U.A.W. President Walter P. Reuther, the officers of striking Local 549 of the General Motors' Fisher Body Division plant in Mansfield, Ohio, announce that they will ask their 2,700 members to return to work. Because of the 8-day-old wildcat strike, 133,250 G.M. auto workers have received lay-off notices.

Feb. 24—Meany declares that he hopes Reuther will return to the executive council and that the U.A.W. will remain within the A.F.L.-C.I.O. Prior to Meany's statement, the executive council gave Reuther's seat to William Pollock, president of the Textile Workers Union of America.

Feb. 25—The A.F.L.-C.I.O. executive council endorses the U.S.-U.S.S.R. consular convention, now awaiting U.S. Senate ratification.

Military

Feb. 9—The Defense Department reports that the Joint Chiefs of Staff have recommended an antimissile defense system for 50 of the largest cities in the U.S.

Feb. 10—The U.S. army announces that almost all veterans will be barred from burial in Arlington National Cemetery for space reasons.

Feb. 12—*The New York Times* reports that, beginning in 1970, the 54 Titan 2 missiles, with an 8,000-10,000 mile range and a tremendous lifting capacity, will be phased out.

Feb. 14—A petition signed by 5,000 scientists is brought to the White House. It urges the U.S. to review its policy on chemical and biological warfare, and to pledge not to initiate such warfare.

Feb. 15—Defense Secretary Robert McNamara, at a news conference, declares that up to 31,100 reservists who have failed to

complete their obligations will be called up for active duty.

Feb. 24—The U.S. Air Force Academy announces that 24 cadets have resigned following an inquiry into charges of cheating; 24 more are being investigated.

Feb. 27—A special study commission on the draft, set up by the House Armed Services committee and headed by General Mark W. Clark (retired), advocates that the youngest eligible men be drafted first; it suggests that college deferments be continued except for graduate students in non-critical fields.

Science and Space

Feb. 3—It is reported that Apollo spacecraft will henceforth use oxygen and nitrogen during the launching period; once in orbit, the spacecraft will use pure oxygen. The pure oxygen in Apollo 1 helped fan the fire which killed 3 astronauts a week ago.

VIETNAM, REPUBLIC OF (South)

(See also *Intl. War in Vietnam*)

Feb. 3—Premier Nguyen Cao Ky voices hopes that a presidential election can be held in July, 3 months after the new constitution is to be promulgated.

VIETNAM, PEOPLE'S REPUBLIC OF (North)

(See also *Intl. War in Vietnam*)

Feb. 13—North Vietnamese President Ho Chi Minh, in a message broadcast by the Hanoi radio, urges Pope Paul VI "to urge that the U.S. Government respect the national rights of the Vietnamese people. . ."

YUGOSLAVIA

Feb. 2—President Tito arrives in Hungary for talks with Hungarian Communist Party chief Janos Kadar.

Feb. 13—President Tito arrives in Vienna for a 5-day state visit to Austria.

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